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Important Notice

April 2013

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## New Reporting Requirement for Industrial Development Agencies and Authorities

Part J of Chapter 59 of the Laws of 2013 amended the General Municipal Law (GML) and the Public Authorities Law to make several reforms to how Industrial Development Agencies and Authorities (IDAs) provide state and local sales and use tax exemption benefits. This notice provides interim guidance on a new reporting requirement that took effect on March 28, 2013.

Under the amendments, an IDA must report to the Tax Department the amount of state and local sales and use tax exemption benefits it provides to a project within 30 calendar days of providing those benefits, in addition to providing the estimated value of goods and services to be exempted. Also, the IDA must indicate the project to which the benefits are being provided and supply any other information the department may require (GML Section 875). An IDA can meet this reporting requirement by timely filing Form ST-60, *IDA Appointment of a Project Operator or Agent*, with the Tax Department. [Form ST-60](#) has been updated accordingly. Failure to file the report could result in the revocation of the IDA's authority to provide state and local sales and use tax exemption benefits. Note: Form ST-60 must still be used to report IDA agent and project operator appointments.

The amendments specifically provide that Form ST-60 must not be used as an exemption document. Contractors and others (purchasers) appointed as agents for the IDA should obtain a letter from the IDA written on IDA letterhead, signed by a responsible officer of the IDA and containing a statement identifying the contract, the project, and the purchaser, and authorizing the purchaser to make purchases for the project as agent of the IDA. When making purchases as agent, the purchaser need only provide the supplier with a copy of this letter to establish the exemption. The supplier must identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent for the IDA was the purchaser.

If an IDA amends, revokes, or cancels its appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA must send a letter to the department within 30 calendar days indicating the change in appointment. Form ST-60 includes instructions with respect to this requirement.

The department will issue further guidance on this reporting requirement and the other tax-related provisions of the new law in the near future.

**NOTE:** An Important Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.