

Suffolk County Local Sales and Compensating Use Tax Rate Increase Effective June 1, 2001

Attention:

All persons required to collect sales tax, pay compensating use tax, or both: Suffolk County has enacted legislation to increase its local sales and use tax rate. **As of June 1, 2001, the combined state and local tax rate imposed in Suffolk County is increased to 8½%.** This includes the 4% state tax, ¼% Metropolitan Commuter Transportation District tax, and the 4¼% Suffolk County local tax. This change will affect your tax collections and payments if you make taxable sales or deliveries to customers or if you make taxable uses in Suffolk County.

Therefore, beginning June 1, 2001, **all taxable sales and uses in Suffolk County are subject to tax at the 8½% rate**, except as otherwise provided by the special transitional provisions below.

Reporting requirements

All taxable sales made within Suffolk County reported on page 3 of sales and use tax returns Form ST-100, Form ST-101, and Form ST-810, or on page 1 of Form ST-102, must be reported on the Suffolk County 8½% entry line.

All **Schedule B and B-ATT** filers reporting sales of **nonresidential** gas, electric, refrigeration, and steam services, and transportation and delivery charges, must enter this information on the Suffolk County 8½% and 6⁷/₁₆% entry lines for Schedule B, Part 3, and the Suffolk County 4¼% and 3¼% entry lines for Schedule B-ATT.

All **Schedule Q** filers reporting sales of property or services eligible for exemption to a Qualified Empire Zone Enterprise (QEZE) must enter this information on the Suffolk County 4¼% entry line.

All **Schedule FR** filers reporting retail sales of motor fuel and diesel motor fuel, and fuel taken from inventory, as explained in the Schedule FR instructions, must enter this information on the Suffolk County 8½% entry line.

Special transitional provisions

Sales and uses occurring on or after June 1, 2001, are taxed at the rate of 8½%, except as provided below:

(a) Layaway sales

Receipts may be reported at the lower rate of 8¼ only if **both** the following conditions are met:

- (1) before February 1, 2001, a written agreement was made and the item sold was segregated from other similar property in the possession of the vendor; **and**
- (2) before June 1, 2001, the purchaser has paid at least 10% of the sales price.

(b) Utility bills for nonresidential gas and electricity based on meter readings

If the meter is read on or after June 1, 2001, and the number of days from June 1, 2001, to the date of the meter reading is more than half the total number of days covered by the bill, report sales of these services on Schedule B or B-ATT (if applicable) at the higher rates of 8½% or 4¼%, respectively.

(c) Utility bills for sales of residential energy

The 1% rate imposed on sales of residential gas, electric, and steam services reported on Part 1 of Schedule B, and on sales for

residential use of coal, fuel oil, and wood (for heating purposes) reported on Part 2 of Schedule B, is not affected by this change.

(d) Telephone bills

Report charges for services furnished on or after the date of the first bill dated in June 2001, at the higher rate of 8½%. Report charges for services furnished before the date of the first bill dated in June 2001, at the lower rate of 8¼%, even though the services may be furnished after June 1, 2001.

(e) Telephone answering services

Prorate receipts that cover a period beginning before and ending after June 1, 2001. Report receipts for the period prior to June 1, 2001, at the lower rate of 8¼%. Report receipts for the period on and after June 1, 2001, at the higher rate of 8½%.

(f) Social and athletic club dues

Regardless of the date a bill is mailed, report all bills covering any period that begins on or after June 1, 2001, at the higher rate of 8½%. Report all bills covering periods that begin before June 1, 2001, at the lower rate of 8¼%.

(g) Admissions

Report taxable admissions to an event occurring on or after June 1, 2001, at the higher rate of 8½%, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before June 1, 2001, to the person who would be attending the event.

(h) Hotel occupancy

Report all taxable daily rentals occurring on or after June 1, 2001, at the higher rate of 8½%, unless the occupant pays no tax because he or she is a permanent resident (90 days of consecutive occupancy). Report all taxable daily rentals occurring before June 1, 2001, at the lower rate of 8¼%. If the rental is on other than a daily basis, prorate the amount of rent between the number of days taxable at the higher rate and the number of days taxable at the lower rate.

(i) Pre-existing lump sum or unit price construction contracts

Contractors purchasing materials in Suffolk County for use in construction contracts pay the rate of 8¼% on purchases made before June 1, 2001, and 8½% on purchases made on or after that date. Contractors who irrevocably entered into a pre-existing lump sum or unit price construction contract before May 8, 2001 (the date on which the local legislation was adopted), may receive a credit or refund of the additional ¼% local sales and use tax paid on or after June 1, 2001. This credit or refund applies only to purchases of tangible personal property used solely in the performance of such contract.

For collection charts, call the appropriate telephone number listed below for forms and publications.

Need help?

 Business Tax information: 1 800 972-1233
Forms and publications: 1 800 462-8100
From outside the U.S. and outside Canada: (518) 485-6800
Fax-on-demand forms: 1 800 748-3676
Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110

 **Internet access:** www.tax.state.ny.us