

Rockland County Sales and Use Tax Rate Increase Effective March 1, 2002

Attention:

All persons required to collect sales tax, pay compensating use tax, or both: Rockland County has enacted legislation to increase its local sales and use tax rate. **As of March 1, 2002, the combined state and local tax rate imposed in Rockland County is increased to 7 $\frac{7}{8}$ %.** This includes the 4% state tax, $\frac{1}{4}$ % Metropolitan Commuter Transportation District tax, and the 3 $\frac{5}{8}$ % Rockland 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 Rockland County.

Therefore, beginning March 1, 2002, **all taxable sales and uses in Rockland County are subject to tax at the 7 $\frac{7}{8}$ % rate**, except as otherwise provided by the special transitional provisions below.

Reporting requirements

All taxable sales made within Rockland 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 Rockland County 7 $\frac{7}{8}$ % entry line.

All **Schedule B and B-ATT** filers reporting sales of **nonresidential** gas, electricity, refrigeration, and steam, and transportation and delivery charges, must enter this information on the Rockland County 7 $\frac{7}{8}$ % and 4 $\frac{1}{4}$ % entry lines for Schedule B, Part 3, and the Rockland County 3 $\frac{3}{8}$ % and 2 $\frac{1}{8}$ % 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 Rockland County 3 $\frac{5}{8}$ % 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 Rockland County 7 $\frac{7}{8}$ % entry line.

Special transitional provisions

All sales and uses occurring on or after March 1, 2002, are taxed at the rate of 7 $\frac{7}{8}$ %, except as provided below:

(a) Layaway sales

Receipts may be reported at the lower rate of 7 $\frac{1}{4}$ % only if the following conditions are met:

- (1) before November 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 March 1, 2002, 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 March 1, 2002, and the number of days from March 1, 2002, 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 7 $\frac{7}{8}$ % or 3 $\frac{5}{8}$ %, respectively. Rockland County does not impose sales or use tax on **residential energy sources and services**.

(c) Telephone bills

Report charges for services furnished on or after the date of the first bill dated in March 2002, at the higher rate of 7 $\frac{7}{8}$ %. Report charges for services furnished before the date of the first bill dated in March 2002, at the lower rate of 7 $\frac{1}{4}$ %, even though the services may be furnished after March 1, 2002.

(d) Telephone answering services

Prorate receipts that cover a period beginning before and ending after March 1, 2002. Receipts for the period prior to March 1, 2002, must be reported at the lower rate of 7 $\frac{1}{4}$ %. Report receipts for the period on and after March 1, 2002, at the higher rate of 7 $\frac{7}{8}$ %.

(e) Social and athletic club dues

Regardless of the date a bill is mailed, report all bills covering any period that begins on or after March 1, 2002, at the higher rate of 7 $\frac{7}{8}$ %. Report all bills covering periods that begin before March 1, 2002, at the lower rate of 7 $\frac{1}{4}$ %.

(f) Admissions

Report taxable admissions to an event occurring on or after March 1, 2002, at the higher rate of 7 $\frac{7}{8}$ %, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before March 1, 2002, to the person attending the event.

(g) Hotel occupancy

Report all taxable daily rentals occurring on or after March 1, 2002, at the higher rate of $7\frac{7}{8}\%$, 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 March 1, 2002, at the lower rate of $7\frac{1}{4}\%$. 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.

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

Contractors purchasing materials in Rockland County for use in construction contracts pay the rate of $7\frac{1}{4}\%$ on purchases made before March 1, 2002, and $7\frac{7}{8}\%$ on purchases made on or after that date. Contractors who irrevocably entered into a pre-existing lump sum or unit price construction contract before February 14, 2002 (the date on which the local legislation was adopted), may receive a credit or refund of the additional $\frac{5}{8}\%$ local sales and use tax paid on or after March 1, 2002. This credit or refund applies only to purchases of tangible personal property used solely in the performance of such contract.

Need help?

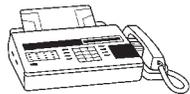
Telephone assistance is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

For business tax information, call the New York State Business Tax Information Center: 1 800 972-1233

For general information: 1 800 225-5829

To order forms and publications: 1 800 462-8100

From areas outside the U.S. and outside Canada: (518) 485-6800



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



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

**Hotline for the hearing and speech impaired:**

1 800 634-2110 from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.

**If you need to write**, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER CONTACT CENTER
W A HARRIMAN CAMPUS
ALBANY NY 12227