

## Madison County and City of Oneida Sales and Use Tax Rate Increase Effective June 1, 2004

### Attention:

**All persons required to collect sales tax, pay compensating use tax, or both:** Madison County and the city of Oneida have each enacted legislation to increase their respective local sales and use tax rate. **As of June 1, 2004, the combined state and local tax rate imposed in Madison County (including the city of Oneida) is increased to 8¼%.** In Madison County outside the city of Oneida this combined rate includes the 4¼% state tax and the 4% Madison County local tax. In the city of Oneida, the combined rate is composed of the 4¼% state tax, 2% Madison County local tax, and the 2% city of Oneida local tax. These changes will affect your tax collections and payments if you make taxable sales or deliveries to customers, or if you make taxable uses, in Madison County, including the city of Oneida.

Therefore, beginning June 1, 2004, **all taxable sales and uses in Madison County (including the city of Oneida) are subject to tax at the 8¼% rate**, except as otherwise provided by the special transitional provisions below.

### Reporting requirements

All taxable sales made within Madison County reported on sales and use tax returns Form ST-100, Form ST-101, Form ST-102, and Form ST-810, must be reported on the Madison County (or Oneida (city), as applicable) 8¼% entry line.

All **Schedule B** filers reporting sales of **residential** gas (including propane in containers of 100 pounds or more), electricity, and steam, must enter this information on Schedule B, Part 1, on the Oneida (city) 2% entry line. Report sales of coal, fuel oil, and wood (for heating) for **residential** use, on Schedule B, Part 2, on the Oneida (city) 2% entry line. Madison County does not impose sales or use tax on **residential energy sources and services**.

All **Schedule H** filers reporting sales within the city of Oneida of clothing and footwear eligible for exemption must enter this information on the Oneida (city) 2% entry line. Sales of eligible clothing and footwear are exempt from the Madison County local tax.

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 Madison County (or Oneida (city), as applicable) 4% 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 Madison County (or Oneida (city), as applicable) 8¼% entry line.

### Special transitional provisions

All sales and uses occurring on or after June 1, 2004, are taxed at the rate of **8¼%**, except as provided below:

#### (a) Layaway sales

Receipts may be reported at the lower rate of 7¼% only if the following conditions are met:

- (1) before February 1, 2004, 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, 2004, the purchaser has paid at least 10% of the sales price.

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

If the meter is read on or after June 1, 2004, and the number of days from June 1, 2004, 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 at the higher rate of 8¼% (or 2% if reporting sales of residential energy sources and services in the city of Oneida).

#### (c) Telephone bills

Report charges for services furnished on or after the date of the first bill dated in June 2004, at the higher rate of 8¼%. Report charges for services furnished before the date of the first bill dated in June 2004, at the lower rate of 7¼%, even though the services may be furnished on or after June 1, 2004.

#### (d) Telephone answering services

Prorate receipts that cover a period beginning before and ending on or after June 1, 2004. Receipts for the period prior to June 1, 2004, must be reported at the lower rate of 7¼%. Report receipts for the period on and after June 1, 2004, at the higher rate of 8¼%.

#### (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 June 1, 2004, at the higher rate of 8¼%. Report all bills covering periods that begin before June 1, 2004, at the lower rate of 7¼%.

**(f) Admissions**

Report taxable admissions to an event occurring on or after June 1, 2004, at the higher rate of 8¼%, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before June 1, 2004, to the person attending the event.

**(g) Hotel occupancy**

Report all taxable daily rentals occurring on or after June 1, 2004, at the higher rate of 8¼%. Report all taxable daily rentals occurring before June 1, 2004, at the lower rate of 7¼%. 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 Madison County for use in construction contracts pay the rate of 7¼% on purchases made before June 1, 2004, and 8¼% on purchases made on or after that date. Contractors who irrevocably entered into a

pre-existing lump sum or unit price construction contract before April 1, 2004 (the date on which Madison County's local legislation was adopted), may receive a credit or refund of the additional 1% sales and use tax paid on or after June 1, 2004.

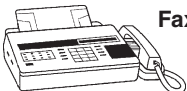
Contractors purchasing materials in the city of Oneida for use in construction contracts pay the rate of 7¼% on purchases made before June 1, 2004, and 8¼% on purchases made on or after that date. Contractors who irrevocably entered into a pre-existing lump sum or unit price construction contract on or after April 1, 2004, and before April 20, 2004 (the date on which the city of Oneida's local legislation was adopted), may receive a credit or refund of the additional ½% city sales and use tax paid on or after June 1, 2004. Such contractors are not eligible for a credit or refund of the additional Madison County local tax that applies in the city of Oneida on and after June 1, 2004.

Any credit or refund that is available applies only to purchases of tangible personal property used solely in the performance of such contract.

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

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a 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 1 800 972-1233.