

Erie County Sales and Use Tax Rate Increase Effective January 15, 2006

Attention:

All persons required to collect sales tax, pay compensating use tax, or both: Erie County has enacted legislation to increase its local sales and use tax rate. **As of January 15, 2006, the combined state and local tax rate imposed in Erie County is increased to 8¾%.**

This includes the 4% state tax and the 4¾% Erie 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 Erie County.

Therefore, beginning January 15, 2006, **all taxable sales and uses in Erie County are subject to tax at the 8¾% rate**, except as otherwise provided by the special transitional provisions below.

Reporting requirements

All taxable sales made within Erie 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 Erie County 8¾% 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 Erie County (outside Lackawanna School District (S.D.)) 4¾% entry line, or the Lackawanna S. D. 7¾% entry line, as applicable. Report sales of coal, fuel oil, and wood (for heating) for **residential** use on Schedule B, Part 2, on the Erie County 4¾% entry line.

All **Schedule B** filers reporting sales of **nonresidential** gas (including propane in containers of 100 pounds or more), electricity, refrigeration, and steam, must enter this information on Schedule B, Part 3, on the Lackawanna S. D. 11¾% entry line.

All **Schedule T** filers reporting sales of telephone services, telephone answering services, and telegraph services, must enter this information on Schedule T, on the Lackawanna S.D. 11¾% entry line.

All **Schedule FR** filers reporting retail sales of motor fuel and diesel motor fuel must enter this information on the Erie County 8¾% entry line.

Special transitional provisions

All sales and uses occurring on or after January 15, 2006, are taxed at the rate of 8¾%, except as provided below:

(a) Layaway sales

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

- (1) before September 15, 2005, a written agreement was made and the item sold was segregated from other similar property in the possession of the vendor; and
- (2) before January 15, 2006, 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 January 15, 2006, and the number of days from January 15, 2006, 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 rates effective January 15, 2006.

(c) Telephone bills

Report charges for services furnished on or after the date of the first bill dated on or after January 15, 2006, at the higher rate of 11¾%. Report charges for services furnished before the date of the first bill dated on or after January 15, 2006, at the lower rate of 11¼%, even though the services may be furnished on or after January 15, 2006.

(d) Telephone answering services

Prorate receipts that cover a period beginning before and ending on or after January 15, 2006. Receipts for the period prior to January 15, 2006, must be reported at the lower rate of 11¼%. Report receipts for the period on and after January 15, 2006, at the higher rate of 11¾%.

(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 January 15, 2006, at the higher rate of 8¾%. Report all bills covering periods that begin before January 15, 2006, at the lower rate of 8¼%.

(f) Admissions

Report taxable admissions to an event occurring on or after January 15, 2006, at the higher rate of 8¾%, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before January 15, 2006, to the person attending the event.

(g) Hotel occupancy

Report all taxable daily rentals occurring on or after January 15, 2006, at the higher rate of 8¾%. Report all taxable daily rentals occurring before January 15, 2006, 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.

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

Contractors purchasing materials in Erie County for use in construction contracts pay the rate of 8¼% on purchases made before January 15, 2006, and 8¾% on purchases made on or after that date. Contractors who irrevocably entered into a pre-existing lump sum or unit price construction contract before January 10, 2006 (the date on which the local legislation became effective), may receive a credit or refund of the additional ½% local sales and use tax paid on or after January 15, 2006. This credit or refund applies only to purchases of tangible personal property used solely in the performance of such contract.

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Business Tax Information Center: 1 800 972-1233
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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.