

Nassau County Exempts Residential Energy Sources and Services from its Local Sales and Use Tax Effective June 1, 2010

All vendors of utility services:

Nassau County has enacted legislation to exempt residential energy sources and services from its sales and use tax effective June 1, 2010.

This change will affect your tax collections and payments if you make sales of residential energy sources and services in Nassau County, including the Glen Cove School District and Long Beach School District (S.D.).

Residential energy sources and services include:

- gas, propane in containers of 100 pounds or more, electricity, and steam; and
- coal, fuel oil, and wood for residential heating.

Effective June 1, 2010, sales of all residential energy sources and services in Nassau County, outside the Glen Cove S.D. and the Long Beach S.D., are exempt from sales and use tax. Sales of gas, propane in containers of 100 pounds or more, electricity, and steam for residential use **within** the Glen Cove S.D. and the Long Beach S.D. are subject to school district taxes at the rate of 3%.

Reporting requirements:

Sales of gas, propane in containers of 100 pounds or more, electricity, and steam services in Nassau County (outside the Glen Cove S.D. and the Long Beach S.D.) for residential use are fully exempt. Report these sales as part of your gross sales only. Sales of coal, fuel oil, and wood (for heating) for residential use in Nassau County are also exempt and should be reported as part of your gross sales only. Sales of gas, propane in containers of 100 pounds or more, electricity, and steam for residential use within the Glen Cove S.D. and the Long Beach S.D. are subject to school district taxes at the rate of 3%. These sales must be reported on **Schedule B, Part 1**, on the Glen Cove S.D. 3% entry line, or the Long Beach S.D. 3% entry line, as applicable.

The exemption described in this notice **does not affect** the rate of tax imposed on **nonresidential energy sources and services in Nassau County**.

Special transitional provisions:

Unless the sales are based on meter readings, sales of residential energy sources and services made on or after June 1, 2010, are fully exempt in Nassau County (except within the Glen Cove S.D. and Long Beach S.D., where they are subject to the 3% school district taxes), whether or not these sales were contracted for prior to June 1, 2010.

Where the bill for a sale is based on a meter reading that occurs on or after June 1, 2010, and the number of days from June 1, 2010, to the date of the meter reading is more than half the total number of days covered by the bill, the sale is fully exempt, if sold outside the Glen Cove S.D. and Long Beach S.D., or subject to 3% if sold within.