



Department of Taxation and Finance

Important:

The information concerning the Fuel Use Tax is out-of-date and is provided only for historical purposes.

For the most up-to-date information on the Fuel Use Tax, see [Fuel use tax/international fuel tax agreement \(IFTA\)](#), Tax Law §523(b), and 20 NYCRR 492.1(b)(1).

The TSB-M begins on page 2 below.

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-78 (8) M
Fuel Use Tax
November 20, 1978

Subject: Sales Tax Component (July - September, 1978)
(MT 904)

INSTRUCTIONS FOR COMPUTING FUEL USE TAX LIABILITY

Effective January 1, 1978, Chapter 880 of the Laws of 1977 amended the fuel use tax by adding a sales tax component to the existing taxes on motor fuel and diesel motor fuel.

For the quarterly period, JULY - SEPTEMBER, 1978, a sales tax component of 4.4¢ has been compiled for motor fuel and diesel motor fuel. The sales tax component was determined by applying the 7% rate as prescribed by the statute to a prevailing price per gallon, computed separately for motor fuel and diesel motor fuel, as established by the State Tax Commission based on the prices charged in the prior calendar quarter at ten selected truck stops located in New York State.

The Composite Fuel Use Tax rates to be used in determining Fuel Use Tax Liability for the JULY - SEPTEMBER, 1978 quarterly period, as reflected on the enclosed Combined Truck Mileage and Fuel Use Tax Return (MT-903), have been computed as follows:

MOTOR FUEL: 12.4¢ - 8¢ motor fuel tax plus 4.4¢ sales tax component.

DIESEL MOTOR FUEL: 14.4¢ - 10¢ diesel motor fuel tax plus 4.4¢ sales tax component.

In lieu of using the prevailing price sales tax component as outlined above, a carrier who maintains substantiating records may elect to compute the sales tax component based on the average price per gallon on motor fuel and on diesel motor fuel used during the reporting period. The average price per gallon is determined by first adding the cost of all such fuels including all Federal, State and local taxes but excluding any State and local sales taxes. Such total is then divided by the total number of gallons for all motor fuel and diesel motor fuel, respectively, purchased by the carrier for use in his operations either within or without this State to arrive at his average price per gallon. The sales tax component is computed by multiplying the average price per gallon for both motor fuel and diesel motor fuel by the sales and compensating use tax rate of 7%. The sales tax component should respectively be added to the 8¢ motor fuel and 10¢ diesel motor fuel rates to arrive at the composite fuel use tax rates. Such rates, if different from that as pre-printed on the return, should be indicated at appropriate lines 7a & b, and should be used in computing the fuel use tax liability.

Fuel use tax credit for motor fuel and diesel motor fuel purchased in New York State during the calendar quarter but not consumed in New York State (line 6b) should be computed at the tax rates indicated on lines 8a and b. Sales tax component credit is not allowable on fuel purchased but not used in New York State.

If you have any questions regarding the above instructions, please contact your nearest district office.