



Changes to the Application of Sales and Use Taxes to Aviation Fuel

This memorandum explains changes to the Tax Law regarding sales and use taxes on aviation fuel that take effect on December 1, 2017.

Part Z of Chapter 60 of the Laws of 2016 amended the Tax Law so that New York State will be in compliance with federal regulations regarding the use of revenues from taxes on aviation fuel. These amendments result in changes to the application of sales and use taxes to aviation fuel (aviation gasoline and kero-jet fuel) on and after **December 1, 2017**.

Exemption from the prepaid sales tax on motor fuel for aviation gasoline

Part Z of Chapter 60 provides that beginning December 1, 2017, aviation gasoline sold by distributors of motor fuel for use in commercial aircraft and general aviation aircraft is no longer subject to the prepaid sales tax on motor fuel. Accordingly, distributors of motor fuel will no longer pass through any prepaid sales tax on sales of aviation gasoline to retail sellers of aviation gasoline when a properly completed exemption certificate is provided.

Exclusion from locally imposed sales and use taxes for all aviation fuel

Part Z of Chapter 60 also provides that all retail sales of fuel for use in commercial aircraft or general aviation aircraft are no longer subject to any locally imposed sales or use taxes on or after December 1, 2017.

However, retail sales of fuel for use in commercial aircraft or general aviation aircraft remain subject to the 4% New York State sales tax and the $\frac{3}{8}\%$ sales tax imposed in the Metropolitan Commuter Transportation District.

Additional information

The Tax Department will provide separate guidance to distributors of motor fuel and retail sellers of aviation gasoline on how to report purchases and sales of aviation fuel on their sales and use tax returns.

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