

## **1998 PETROLEUM BUSINESS TAX (ARTICLE 13-A) CHANGES**

### **Manufacturing Exemption for Unenhanced Diesel Product and Residual Petroleum Product**

Beginning January 1, 1998, the petroleum business tax imposed on unenhanced diesel motor fuel and residual petroleum product, used and consumed directly and exclusively in the production of tangible personal property for sale, by manufacturing, processing, or assembly, is eliminated.

Distributors of Diesel Motor Fuel and Retailers of Heating Oil Only may continue to rely on all properly completed Forms FT-1012, *Manufacturing Certification for Certain Taxes Imposed on Diesel Motor Fuel and Residual Petroleum Product*, currently in their files as blanket certifications for future sales, instead of getting revised Forms FT-1012.

### **1998 Petroleum Business Tax Rates**

**(See the rate tables for monthly and quarterly filers on back.)**

The petroleum business tax rates are being changed because of a provision in the Tax Law that requires an annual adjustment. Please note: for the first time, the motor fuel rate and the automotive-type diesel motor fuel rate are different. Effective January 1, 1998, the Tax Law requires a subtraction of **three-quarters of one cent** in computing the automotive-type diesel motor fuel rate. Fuel purchased before January 1, 1998, must be inventoried at the pre-1998 rate of petroleum business tax and, if sold or used in a taxable manner, the pre-1998 rates would apply.

**TSB-M-97( 10)M  
Petroleum Business Tax  
December 1997**

**MONTHLY FILERS**

	<u>Current/Old Rate</u>	<u>New Rate</u> effective January 1, 1998
	cents per gallon	cents per gallon
Motor fuel	14.0	14.6
<u>Liquefied petroleum gas</u>	<u>none</u>	<u>none</u>
Aviation gasoline	14.0	14.6
<u>Retail sellers of aviation gasoline</u>	<u>5.6</u>	<u>5.8</u>
<u>Kero-jet fuel</u>	<u>5.6</u>	<u>5.8</u>
Automotive diesel motor fuel	14.0	13.85
<u>Railroad diesel</u>	<u>7.1</u>	<u>7.5</u>
Nonautomotive diesel motor fuel	13.2	13.7
Exempt organizations	none	none
Farm use	none	none
Manufacturing	7.6	none
Commercial gallonage	7.6	7.9
<u>Electric corporation (with a direct pay permit)</u>	<u>none</u>	<u>none</u>
Residual petroleum product	11.6	12.1
Exempt organizations	none	none
Farm use	none	none
Manufacturing	6.0	none
Commercial gallonage	6.0	6.3
Electric corporation (with a direct pay permit)	none	none
<u>Bunker fuel for vessels</u>	<u>none</u>	<u>none</u>
Electric utility credit/refund		
No. 2 heating oil	4.60	4.83
Residual petroleum product	4.56	4.78
<u>Manufacturing exemption/reimbursement</u>	<u>5.6</u>	<u>none</u>
<u>Commercial gallonage exemption/reimbursement</u>	<u>5.6</u>	<u>5.8</u>
<u>Aviation gasoline credit/refund</u>	<u>8.4</u>	<u>8.8</u>
<u>Railroad diesel exemption/reimbursement</u>	<u>6.9</u>	<u>6.35</u>

**QUARTERLY FILERS**

The rates below are the rates to be used by Retailers of Heating Oil Only and Distributors of Kero-jet Fuel Only who file quarterly tax returns (Form PT-200 and either Form PT-201 or Form PT-202).

	<u>Current/Old Rate</u>	<u>New Rate</u> January 1, 1998 through February 28, 1998	<u>New Rate</u> effective March 1, 1998
	cents per gallon	cents per gallon	cents per gallon
<u>Kero-jet fuel</u>	<u>5.6</u>	<u>5.6</u>	<u>5.8</u>
Nonautomotive diesel motor fuel	13.2	13.2	13.7
Exempt organizations	none	none	none
Farm use	none	none	none
Manufacturing	7.6	none	none
Commercial gallonage	7.6	7.6	7.9
<u>Electric corporation (with a direct pay permit)</u>	<u>none</u>	<u>none</u>	<u>none</u>
Automotive diesel motor fuel	14.0	13.25	13.85