



## **Supplemental Summary of 2012 Legislation Affecting Sales and Use Tax**

This memorandum contains a summary of 2012 legislation applicable to sales and use taxes (sales tax) that is in addition to the sales tax budget legislation described in [TSB-M-12\(9\)S](#), *Summary of Budget Bill Sales and Use Tax Changes Enacted in 2012*. The amendments covered are:

- [Commercial solar energy systems equipment exemption](#)
- [Exclusion for farm wineries and distilleries from filing an annual sales tax information return](#)
- [Exemption for military service flags and prisoner of war flags](#)
- [New farm brewery license, and exclusion for farm breweries from filing an annual sales tax information return](#)
- [Provisions for tax preparers and facilitators](#)

### **Commercial solar energy systems equipment exemption**

Chapter 406 of the Laws of 2012 provides a sales and use tax exemption for the receipts from the retail sale and installation of commercial solar energy systems equipment. The exemption applies to the 4% state sales and use tax and the 3/8% sales and use tax imposed by the state in the Metropolitan Commuter Transportation District (MCTD). This new law also allows cities and counties, including New York City, to grant a similar exemption from their local sales and use taxes. [Publication 718-CS](#), *Local Sales and Use Tax Rates on Sales and Installations of Commercial Solar Energy Systems Equipment*, provides a listing of the local sales and use tax rates for the retail sale and installation of commercial solar energy equipment.

This exemption applies to sales made and services rendered on or after January 1, 2013.

For more information about this exemption, see [TSB-M-12\(14\)S](#), *Sales and Use Tax Exemption for the Sale and Installation of Commercial Solar Energy Systems Equipment*.

(Tax Law sections 1115(hh), 1210(a)(1) and 1210(p))

**Exclusion for farm wineries and distilleries from filing an annual sales tax information return**

Chapter 107 of the Laws of 2012 amended the Tax Law to exclude businesses operating under a farm winery license and/or a farm distillery license, issued under the Alcoholic Beverage Control Law, from having to file the annual sales tax information return for alcoholic beverage wholesalers.

For further information about this amendment, see [TSB-M-12\(11\)S](#), *Farm Wineries and Farm Distilleries Excluded from Filing Annual Sales Tax Information Return*.

This new law applies to annual sales tax information returns due on or after March 20, 2012.

(Tax Law section 1136(i)(C)(1))

**Exemption for military service flags and prisoner of war flags**

Chapter 477 of the Laws of 2012 expands the current sales tax exemption for flags of the United States and the state of New York to include military service flags approved by the United States Secretary of Defense, such as blue star and gold star banners, and prisoner of war flags. The new law also exempts related accessories for the display of these flags, provided the accessories are sold with the flag for a single charge.

This amendment applies to sales made or uses occurring on or after December 1, 2012.

For more information about this exemption, see [TSB-M-12\(13\)S](#), *Sales and Use Tax Exemption for Military Service Flags and Prisoner of War Flags*.

(Tax Law Section 1115(a)(11-b))

**New farm brewery license, and exclusion for farm breweries from filing an annual sales tax information return**

Chapter 108 of the Laws of 2012 amended the Alcoholic Beverage Control Law, the Agriculture and Markets Law, and the Tax Law to establish a new license category for farm breweries.

In addition, Chapter 108 includes an amendment to the Tax Law that excludes businesses operating under a farm brewery license from having to file the annual sales tax information return for alcoholic beverage wholesalers.

For further information about this amendment, see [TSB-M-12\(12\)S](#), *Creation of Farm Brewery License and the Exclusion from Filing a Sales Tax Information Return*.

These amendments to the Tax Law apply to annual sales tax information returns due on or after March 20, 2012.

(Tax Law section 1136(i)(C)(1))

**Provisions for tax preparers and facilitators**

Chapter 488 of the Laws of 2012 removed the prohibition against tax return preparers or facilitators operating on the same premises as licensed check cashers. Tax return preparers and facilitators registered under section 32 of the Tax Law are no longer prohibited from referring, facilitating, soliciting consumers, or conducting business on behalf of, in conjunction with, or on the same premises as, a third party engaged in check cashing for a fee.

This provision became effective on October 3, 2012.

(Tax Law section 32(f)(1)(G))

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