

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

TSB-M-81(15)S
 Sales Tax
 October 9, 1981

1981 Legislation

Chapter 485 of the Laws of 1981 - Effective September 1, 1981

Article 28 of the New York State Tax Law has been amended by the addition of a new section, number 1109, which imposes a special ¼% sales and use tax in the "Metropolitan Commuter Transit District". This district consists of the City of New York (Bronx, Kings, New York, Queens and Richmond counties) and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

This special tax is imposed on all tangible personal property and services presently subject to the New York State sales and use tax. It IS NOT imposed on transactions which are subject only to local taxes. However, for record keeping purposes these local taxes must be broken out and reported on separate schedules.

The following rates reflect the total percentages to be collected in the affected localities (including school districts and areas which have imposed a local tax on receipts from consumer utility services, hotel room occupancy, food and drink, club dues, admissions or cabaret charges):

New York City.....8¼%

In the City of New York, a person qualifies as a permanent resident for purposes of sales tax exemption on charges for hotel accommodations only after 180 consecutive days of occupancy. As the requirement for permanent resident status throughout New York State, other than New York City, is only 90 consecutive days of occupancy, a person living in a hotel in New York City would be entitled to claim a refund of the 4¼% (4% statewide and ¼% special) tax paid, after the first 90 consecutive days of occupancy. He would continue to pay the remaining 4% tax imposed in New York City until he completed an additional 90 consecutive days of occupancy. At such time, he could claim a refund of the 4% local tax paid for the entire 180 days.

Dutchess County.....5¼%
 except Poughkeepsie7¼%

Nassau County.....7¼%
 except Glen Cove7¼%
 " Long Beach7¼%
 (imposes sales and use tax on hotel room occupancy and food and drink only)
 " Glen Cove and Long Beach School Districts.....10¼%
 (impose sales and use tax on consumer utility services)

<u>Orange County</u>	4¼%
except <u>Middletown School District</u> and the cities of <u>Newburgh and Port Jervis</u>	7¼%
(impose sales and use tax on consumer utility services)	
<u>Putnam County</u>	6¼%
<u>Rockland County</u>	4¼%
(7¼% tax imposed on hotel room occupancy only)	
<u>Suffolk County</u>	7¼%
<u>Westchester County</u>	5¼%
except <u>Mount Vernon, New Rochelle and White Plains</u>	7¼%
" <u>Yonkers</u>	8¼%
" <u>Rye</u>	7¼%
(imposes sales and use tax on admission, club dues and cabaret charges only)	
" <u>White Plains School District</u>	9¼%
(imposes sales and use tax on consumer utility services)	

SPECIAL TRANSITIONAL PROVISIONS

Where delivery or transfer of possession occurs on or after September 1, 1981, the new combined sales and use tax rates shown in this memorandum will apply, except in the following instances:

Lay-away sales

The old rate will apply only if:

- (1) a written agreement was made prior to May 1, 1981,
- (2) the item sold was segregated from other similar property in the possession of the vendor prior to May 1, 1981, and
- (3) the purchaser has paid at least 10% of the sales price before September 1, 1981.

Monthly utility bills for non-residential gas and electricity based on meter readings

If the meter is read on or after September 1, 1981, the increased tax will be applied to the billing based on such reading only if more than of the days covered by such bill are days after August 31, 1981.

Monthly telephone bills

The increased tax will be applied to all bills dated on or after September 1, 1981. However, charges for services furnished before the date of the first of such bills will be taxable at the old rate.