

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

TSB-M-87 (3.2)S  
Sales Tax  
February 1, 1989

ULSTER COUNTY REDUCES SALES AND USE TAX RATE TO 1%  
ON RESIDENTIAL ENERGY SOURCES AND SERVICES  
FOR THE PERIOD 3/1/89 - 2/28/90

On November 24, 1986, Ulster County adopted legislation which eliminates, by March 1, 1990, the sales and use tax imposed on the sale of energy used for residential purposes. The legislation, which was effective March 1, 1987, provides for a gradual reduction in the sales or use taxes imposed by the County on the sale or use, for residential purposes, of:

- fuel oil (excluding diesel motor fuel) and coal;
- wood used for heating purposes;
- propane (except when sold in containers of less than 100 pounds); natural gas;
- electricity;
- steam; and
- gas, electric and steam services.

The sales and use tax rate imposed by Ulster County is being reduced from 3% to 0% under the following schedule:

<u>Effective Date</u>	<u>Rate</u>
March 1, 1987 through February 29, 1988	2½%
March 1, 1988 through February 28, 1989	2 %
March 1, 1989 through February 28, 1990	1%
March 1, 1990 and after	0 %

Sales and use tax on residential energy sources and services must be reported on Schedule B - Part III. As the rates change, the reporting codes on the Sales and Use Tax Returns will also change. The reporting code for the period March 1, 1989 through February 28, 1990 is 5105.

Transitional Provisions

Sales of residential energy sources and services, except those based on meter readings, will be subject to sales tax at the rate in effect at the time of delivery regardless of the date purchased.

When the sale of the energy source or service is metered and the bill is based on meter readings which occur on or after March 1, 1989, the 1% rate applies to the charges billed based on such reading only if more than one-half the number of days included in the billing period fall on or after March 1, 1989; otherwise, the 2% rate applies.