

ULSTER COUNTY ELIMINATES ITS SALES AND USE TAX
ON RESIDENTIAL ENERGY SOURCES AND SERVICES
BEGINNING MARCH 1, 1990

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 was reduced from 3% to 0% under the following schedule:

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

In accordance with the above schedule, sales of residential energy sources and services are not subject to sales tax in Ulster County as of March 1, 1990.

Transitional Provisions

Sales of residential energy sources and services, except those based on meter readings, will be subject to sales tax only if delivery occurred prior to March 1, 1990.

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, 1990, 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 before March 1, 1990; otherwise no tax is due.