

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

TSB-M-87 (4)S
Sales Tax
February 11, 1987

1986 Amendments to the Sales Tax Law

Article 28

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1139(f)	145	2	86(9)S	<u>Chapter 145, approved June 9, 1986 and retroactive to September 1, 1983, amends the Tax Law to require that the Department of Taxation and Finance refund the sales tax paid on the purchase price (or portion thereof) of a new motor vehicle when a manufacturer refunds the purchase price (or portion thereof) of such vehicle. See Chapter 799 of this section.</u>
1137(e)(2)	275	9	86(27)S	<u>Chapter 275, approved July 14, 1986, authorizes the Tax Commission to accept security other than a surety bond, when necessary to protect sales tax revenues.</u>
1101(b)(4)(ii)	276	14		Chapter 276, approved July 1986, 14, amends the First Import Legislation of 1985 to impose penalties on responsible officers, directors, shareholders and employees of distributors who fail to prepay the tax on motor fuel imported, produced, refined, manufactured or compounded in New York State; provides for a criminal penalty for filling station owners who willfully and knowingly possess motor fuel on which the tax has not been prepaid or passed through allows distributors to make adjustments in the amounts of prepaid taxes to be paid and
1102		15		
1111(d),(e)		16		
1115(j)		17		
1116(b)(5)		18		
1120		19		
1132(h)(1)		20		
1145(a)(1)(vii)		21		
1145(c)		22		
1145(e)	23			

*See appropriate TSB-M for additional information.

Article 28 (continued)

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
	276 (cont.)			<p>passed through on their motor fuel inventory to reflect changes in the regional average retail sales price.</p> <p>Also deletes the 24-hour-payment rule for persons purchasing motor fuel on which the sales tax was not prepaid, and makes it a violation of the Tax Law to purchase motor fuel on which the sales tax was not prepaid (except for retail sales). It provides for a single regional average retail sales price for motor fuel in each tax region to replace the separate regional average retail sales prices for leaded, unleaded and premium motor fuels.</p>
1132(f),(g)	402	13	86(16)S	<p><u>Chapter 402, approved July 21,1986 and effective January 1,1987,</u> provides that a new owner of an all terrain vehicle (ATV) must prove that he has paid the sales tax before the vehicle can be registered. Also authorizes county clerks and the Commissioner of Motor Vehicles to collect sales tax before registering an ATV and specifies the amount of reimbursement to county clerks for their services.</p>
1132(c)	411	4	86(12)S	<p><u>Chapters 411 and 412, approved July 21, 1986,</u> amend the Omnibus Tax Equity and Enforcement Act of 1985 to make a number of technical corrections and clarify certain provisions of that act.</p>
1134(a)(4)(D)		5		
1145(a)(1)(i)		6		
1147(b)		7		
1147(b)	412	1		

*See appropriate TSB-M for additional information.

Article 28 (continued)

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1118(11)	442	1	86(11)S	<u>Chapter 442, approved July 21, 1986 and effective September 1 1986</u> , amends section 1118 of the Tax Law to provide exemption from use tax for tangible personal property when donated to an exempt organization described in section 1116(a).
1101(d)(12)	609	1	86(28)S	<u>Chapter 609, approved July 24, 1986 and retroactive to March 1 1981</u> , amends section 1101(d)(12) to provide that the definition of roof garden, cabaret and <u>similar establishments</u> does not include a place where the service or sale of food, refreshment or merchandise is merely incidental to a live dramatic or musical arts performance.
1107(b) 1109(e) 1119(a)	686	21 22 23	86(20)S	<u>Chapter 686, approved July 30, 1986 and effective September 1, 1986</u> , provides for a refund or credit of the tax paid on tangible personal property purchase for use in constructing, expanding or rehabilitating certain industrial or commercial real property located in an are designated as an economic development zone.

The refund or credit is available only for the State portion of sales tax paid, not for the imposition for the benefit of MAC or MCTD. There is also no refund or credit allowed for local sales taxes paid unless local law provides for such refund or credit.

*See appropriate TSB-M for additional information.

Article 28 (continued)

<u>Legislative Law Section</u>	<u>Chapter #</u>	<u>Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1115(a)(6)	736	1	86(25)S	<u>Chapter 736, approved July 30, 1986 and effective December 1, 1986</u> , provides that for purposes of claiming a farming exemption on motor vehicles, use may be computed at the farmer's discretion on the basis of mileage or hours of use. Use directly in the production phase of farming means any use of the motor vehicle connected to the production phase of farming (1) on property actually farmed by the purchaser or user of the motor vehicle or (2) in direct and uninterrupted trips between properties farmed by the purchaser or user of the
1139(f)	799	6	86(9.1)S	<u>Chapter 799, approved August 2, 1986</u> , provides that the lessee of a new motor vehicle is eligible for a refund from the Department of Taxation and Finance of sales tax paid on the portion of the rental charges returned to the lessee by the manufacturer, when the vehicle fails to conform to the warranty.

Article 29

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1201-a	59	4		<u>Chapter 59, approved April 28, 1986</u> , pertains to discounts in addition to rebates granted by a utility company subject to the supervision of the Public Service Commission.

*See appropriate TSB-M for additional information.

Article 29 (continued)

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1210 1262-e	222 2	1	86(19)S	<u>Chapter 222, approved June 30, 1986</u> , extends for two years, from January 1, 1987, through December 31, 1988, the authority of Nassau County to impose the 3/4% additional sales and use tax.
1261(d)	276	24		See Chapter 276 under Article 28.
1212-A(a)(4)	325	1	86(15)S	<u>Chapter 325, approved July 17, 1986</u> , provides that any person who gains exemption from the additional 8% parking tax in Manhattan through improper use of an exemption certificate shall be subject to a penalty of no more than \$100 for each violation, if due to negligence or intentional disregard (but without intent to defraud) and no more than \$500 per violation, if due to fraud.
1202-f	387	1		<u>Chapter 387, approved July 21, 1986</u> , authorizes Tompkins County to adopt local laws imposing a tax on persons occupying hotel or motel rooms in that County. (The tax has been adopted by Tompkins County which administers it.)
1205	389	1		<u>Chapter 389, approved July 21, 1986</u> , authorizes the City of Mount Vernon to increase the amount of tax exemption on deeds transferring real property,

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<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1212-A(h)(2)(i)	390	1	86(10)S	<u>Chapter 390, approved July 21, 1986</u> , extends for one year (September 1, 1986, through August 31, 1987) the right of New York City to impose a sale and use tax on certain selected services. (Based on such authorization, New York City enacted local laws extending the 4% sales and use tax imposed on credit rating and credit reporting services, and on protective and detective services but not when performed by port watchmen.)
1214(d)	402	14	86(16)S	See Chapter 402 under Article 28.
1210 1223	574	2 2	86(22)S	Chapter 574, approved July 24, 1986, authorizes Allegany County to adopt local laws or resolutions to impose an additional 1% sales and use tax for the period December 1, 1986, through November 30, 1989
1210 1223 1224(h),(i) 1210	669 670	6 7 8 2	86(17)S	<u>Chapters 669 and 670, approved July 26, 1986</u> , authorizes the counties of Dutchess, Orange and Rockland to withdraw from the Metropolitan Commuter Transportation District and make arrangements for providing their own transportation services.
1210	686	24	86(20)S	See Chapter 686 under Article 28.
1210	907	1,2,3	86(26)S	Chapter 907, approved December 18, 1986, authorizes Erie County to impose its sales and use tax at a 4% rate for one more

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Article 29 (continued)

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
	907 (cont.)			year - January 1, 1987, through December 31, 1987. (Based on such authorization, Erie County enacted a local law extending the 4% sales and use tax.)

Article 37

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
1817(h)	275	10	86(27)S	See Chapter 275 under Article 28.
1817(i)	276	28		See Chapter 276 under Article 28.
1817(c)(1)	411	13	86(12)S	See Chapter 411 under Article 28.
1817(g)		14		
1825		15		

1986 Amendments Affecting Sales Tax Law

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
	21	1	85(16.1)S	<u>Chapter 21, approved April 1, 1986</u> , amends the Vehicle and Traffic Law and Chapter 484 of the Laws of 1985 relating to sales tax application to vessel registration. It changes the effective date of that Chapter from April 1, 1986, to June 1, 1986.

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1986 Amendments Affecting Sales Tax Law (continued)

<u>Law Section</u>	<u>Chapter #</u>	<u>Legislative Bill Section</u>	<u>TSB-M#*</u>	<u>Brief Summary</u>
	59	1,3		Amended the General City Law. See Chapter 59 under Article 29.
	145	1	86(9)S	Amended the General Business Law. See Chapter 145 under Article 28.
	325	2,3	86(15)S	Amended the Administrative Code of the City of New York. See Chapter 325 under Article 29.
	402	3	86(16)S	Amends the Vehicle and Traffic Law. See Chapter 402 under Article 28.
	669	1,4,5, 11, 12	86(17)S	Amends the Public Authorities Law. See Chapter 669 under Article 29.
	686	1,2	86(20)S	Amends the General Municipal Law and the Executive Law. See Chapter 686 Under Article 28.
	799	1,2,3	86(9.1)S	Amends the General Business Law. See Chapter 799 under Article 28.

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