



Department of Taxation and Finance

Important:

The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.

For the most up-to-date state and local sales and use tax rates, reporting code information, and other information, see the Department of Tax and Finance website: [Find sales tax rates](#).

The TSB-M begins on page 2 below.

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

TSB-M-88 (2)S
Sales Tax
January 21, 1988

ERIE COUNTY RATE CHANGES

On December 31, 1987, authorization for Erie County to impose an additional 1% sales tax expired. As a result, on January 1, 1988 the tax rate throughout Erie County decreased to 7%. However, on January 7, 1988 under special authorization granted by the State Legislature, Erie County reinstated the additional 1% tax effective January 10, 1988. Accordingly, any taxable purchase (subject to the limitations stated on pages 2 and 3 of this memorandum) made between January 1, 1988 and January 9, 1988 is subject to a 7% sales tax, while taxable purchases made before or after these dates are subject to an 8% sales tax.

To make appropriate distribution of sales tax revenues, the quarterly sales and use tax return and related schedules for the period December 1, 1987 through February 29, 1988, and the annual sales and use tax return and related schedules for the period June 1, 1987 through May 31, 1988 will include two separate lines and two separate codes for all Erie County entries. For quarterly filers, transactions occurring from December 1, 1987 through December 31, 1987 and those occurring from January 10, 1988 through February 29, 1988 must be reported on the first line; transactions occurring from January 1, 1988 through January 9, 1988 must be reported on the second line. For annual filers, transactions occurring from June 1, 1987 through December 31, 1987 and those occurring from January 10, 1988 through May 31, 1988 must be reported on the first line; transactions occurring from January 1, 1988 through January 9, 1988 must be reported on the second line.

The Erie County reporting codes for transactions occurring in this period are as follows:

<u>Return or Schedule</u>	<u>All dates Covered by the Return Except 1/1/88 - 1/9/88</u>		<u>Jan 1, - Jan 9, 88</u>	
	<u>Tax Rate</u>	<u>Code</u>	<u>Tax Rate</u>	<u>Code</u>
ST-810 - Quarterly Return for Part Quarterly Filers	8%	1415	7%	1416
ST-100 - Quarterly Return	8%	1415	7%	1416
ST-101 - Annual Return	8%	1415	7%	1416
Schedule E - used to report tax on diesel motor fuel	8%	E1415	7%	E1416
Schedule R - used to report tax on motor fuel	8%	R1415	7%	R1416

Schedule U - used to report tax on parts, tools, and supplies used in production (New York City only), and services to production equipment	4%	L1415	3%	L1416
Schedule B - Part III - used to report tax on residential energy and energy service	4%	1403	3%	1404

It is extremely important for both the distribution of the tax and for determining the vendor's liability that sales occurring during this period be accurately recorded and reported.

SPECIAL TRANSITIONAL PROVISIONS

Layaway sales

The 7% tax rate will apply to all sales where the purchaser takes delivery of the merchandise during the period January 1, 1988 through January 9, 1988. Otherwise, the 8% rate will apply.

Utility bills for gas and electricity based on meter readings

The 7% tax rate (3% on residential energy) will be applied to bills where more than half the total number of days covered by the bill fall within the period from January 1, 1988 through January 9, 1988. Otherwise, the 8% rate (4% on residential energy) will apply.

Telephone bills

On bills dated during the period January 1, 1988 through January 9, 1988, the 7% tax rate applies to all previously un-billed charges shown on such bill, except those charges for services which were furnished before the date of the bill. Charges for services furnished before the date of bills dated January 1, 1988 through January 9, 1988 are subject to the 8% tax rate.

On bills dated after January 9, 1988, the 8% rate applies to charges (previously un-billed) for services billed in advance. Previously un-billed charges for services which were furnished prior to the date of such bill will be taxed at 7% if the service was furnished between January 1, 1988 and the date of the first bill dated on or after January 9, 1988, or at 8% if the service was furnished either prior to January 1, 1988, or after the date of that first bill.

Social and athletic club dues

The 7% rate applies to all bills for membership (including membership renewals) where the beginning date of the membership falls within the period January 1, 1988 through January 9, 1988. If the membership begins within this period, the

7% rate applies regardless of the date the bill for such membership is mailed or the date the dues are actually paid. All other dues for memberships or membership renewals are subject to tax at the 8% rate.

Admissions

The 7% tax rate will be applied to taxable admissions if the tickets were sold and delivered to the purchaser during the period January 1, 1988 through January 9, 1988. This is true whether or not the event occurred during that period. Otherwise, the 8% rate applies.

Hotel occupancy

The 7% tax rate will be applied to all daily rentals occurring during the period January 1, 1988 through January 9, 1988. If the rental charge is for a period of more than one day, the 7% rate will be applied to the portion of the total charge that covers the period January 1, 1988 through January 9, 1988. The 8% tax rate applies to all other rental charges. If the occupant is a permanent resident (that is, occupies the premise for 90 or more consecutive days) then no tax is to be charged.

Construction Contracts

Contractors purchasing materials in Erie County for use in construction contracts will pay tax at the rate of 8% on purchases made prior to January 1, 1988, and after January 9, 1988. Purchases made during the period January 1, 1988 through January 9, 1988 will be taxed at the reduced rate of 7%.

If a preexisting lump sum or unit price construction contract was irrevocably entered into on or after January 1, 1988 and before January 7, 1988, the contractor will be allowed a credit or refund of the excess local sales or use tax paid as a result of the increase in the tax rate to 8% on January 10, 1988, on purchases of tangible personal property used solely in the performance of this contract.