



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The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.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

UNIFORM SALES AND USE TAX RATE FOR
SCHENECTADY COUNTY BEGINS MARCH 1, 1989

(Rate Increase and Reporting code Changes -
Schenectady School District)

Actions taken by the City of Schenectady and Schenectady County have resulted in a uniform local sales and use tax rate for all taxable sales of tangible personal property and services made within Schenectady County (except certain utility services sold within the Schenectady School District) effective March 1, 1989.

The City of Schenectady has repealed its 2 1/2% local sales and use tax as of March 1, 1989. Therefore, beginning that date, the City of Schenectady will no longer impose a local sales or use tax on taxable sales or uses made within its city limits. However, effective March 1, 1989 Schenectady County will increase its county wide local sales and use tax from its present level of 1/2% to 3%. On March 1, 1989, when the 3% Schenectady County tax becomes effective, all taxable sales made anywhere within Schenectady County (including the city of Schenectady) will be subject to the 3% county sales and use tax.

For the area of Schenectady County outside the City of Schenectady, the 3% local sales tax means a 2 1/2% increase in tax over the 1/2% rate which was in effect prior to March 1, 1989. The new 3% county rate does not result in an increase in tax within the city of Schenectady, since the combined city/county rate had been 3%. However, it does result in a change in reporting. Taxable sales made within the city of Schenectady on and after March 1, 1989 are to be reported on the Schenectady County Line on the sales and use tax returns filed for taxable periods that include March 1, 1989 and thereafter.

As of March 1, 1989 all sales of tangible personal property and services that are subject to the combined New York State and Schenectady County sales taxes are to be taxed at the rate of 7% (4% New York State and 3% Schenectady County). Sales of property and services subject to the local tax only are to be taxed at the rate of 3%.

For proper collection and distribution of state and county sales and use tax revenues, the reporting codes and tax rates for Schenectady County will be changed on all affected returns and schedules which are to be filed for periods beginning on or after March 1, 1989. Taxable sales made in Schenectady County on and

after that date are to be reported using the following tax rates and codes:

<u>Return or schedule</u>	<u>Tax Rate</u>	<u>Code</u>
ST-100, ST-101, ST-810	7%	4234
Schedule FR	7%	R4234
Schedule U	3%	L4234
Schedule B, Part III	3%	4235

TRANSITIONAL PROVISIONS

With respect to rate changes only, the following transitional provisions will apply to sales in Schenectady county outside the City of Schenectady. Since the combined tax rate in the city both before and after the changes is 3%, these transitional provisions do not apply to transactions occurring in the city.

Layaway Sales

The increased county tax applies to all layaways where the purchaser takes possession of (customer pick up) the merchandise on or after March 1, 1989, unless:

- the merchandise was purchased under a written agreement that was entered into prior to November 1, 1988; and
- the merchandise was taken out of inventory and set aside for the customer before November 1, 1988; and
- at least 10% of the sale price was paid before March 1, 1989.

If all three of the above conditions are met, then the sale will be taxed at the pre-March 1, 1989 tax rate.

Utility Bills Based on Meter Readings

When a bill is issued based on a meter reading that occurred before March 1, 1989 the increased tax rate does not apply to any charges based on such reading. When a meter is read on or after March 1, 1989, the increased tax rate applies to the total amount billed, based on such reading, if more than one-half the number of days included in the period covered by the bill fall on or after March 1, 1989. If more than one-half the number of days in the billing period fall before March 1, 1989, then the

pre-March 1, 1989 tax rate applies.

Telephone Bills

Charges for telephone service which appear on the first bill dated on or after March 1, 1989, (other than charges for which a bill was previously issued) are subject to the increased sales and use tax rate unless they are charges for services furnished prior to the date of the bill.

Any charges for service furnished before the date of the first bill dated on or after March 1, 1989, will be subject to the pre-March 1, 1989, tax rate, regardless of when such charges are actually billed.

Hotel/Motel Room Bills

When hotel or motel room occupancy is charged at a daily rate, the increased tax rate applies to charges for occupancy occurring on or after March 1, 1989.

When charges for hotel or motel room occupancy are billed on other than a daily basis, the increased tax rate applies only to that portion of the bill which covers the days falling on or after March 1, 1989; the balance of the billing is subject to the pre-March 1, 1989 tax rate.

When the occupant of the hotel or motel room is a permanent resident (that is, occupies the room for 90 or more consecutive days), then there is to be no tax charged on the rental of the room.

Admission Charges

The increased sales tax applies to taxable admissions for any event occurring on or after March 1, 1989, unless the admission tickets were actually sold and delivered to the purchaser before March 1, 1989.

Social and Athletic Club Dues

Dues paid for membership (including membership renewals) in a social or athletic club are subject to the increased sales and use tax rate if the membership period begins on or after March 1, 1989. The increased tax rate applies regardless of when the dues are billed, or paid, or the payment terms.

Dues paid for memberships which begin before March 1, 1989, are not subject to the increased sales and use tax rate even though payment may actually be made on or after March 1, 1989. Such dues

are subject to the pre-March 1, 1989 sales and use tax rate.

Lump-Sum or Unit-Price Construction Contracts

If a lump-sum or unit-price construction contract was irrevocably entered into before January 24, 1989, (the date the Schenectady County resolution was adopted), the contractor will be allowed a credit or refund of the increased sales or use tax paid on purchases of tangible property used solely in the performance of this contract.

Schenectady School District

Codes for reporting sales and use taxes imposed by the schenectady School District, on telephone and telegraph services, refrigeration service and gas, electricity and steam services, have also been affected by the changes in the city and county sales taxes discussed earlier in this memorandum.

Since the City of Schenectady will no longer impose its own sales tax, it will no longer be necessary to distinguish taxable sales made within both the city and the school district from those made within the school district outside the City of Schenectady. On March 1, 1989, only the 3% Schenectady County tax will be part of the combined Schenectady School District rate. Therefore, only one reporting line for the Schenectady school District will appear on returns and schedules filed for periods beginning on and after March 1, 1989. And all sales subject to the school district tax will be reported on that line.

Vendors required to file schedule B of the sales and use tax return to report sales subject to the Schenectady School District sales tax must use the following rates and codes for sales that occur on and after March 1, 1989:

<u>Schedule</u>	<u>Tax Rate</u>	<u>Code</u>
Schedule B, Part I - used to report tax on telephone, telegraph, refrigeration, and non-residential gas, electricity and steam service.	10%	4205
Schedule B, Part II - used to report tax on gas, electricity and steam for residential purposes.	6%	L4205