

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

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Sales Tax
March 8, 1991

City of Niagara Falls Imposes a Sales Tax on
the Sale of Utility Services, Food and Drink,
Hotel Occupancy and Amusement Charges
(Reporting Changes Niagara Falls (city) and Niagara County)

Effective March 1, 1991, a 3% sales tax is imposed by the city of Niagara Falls on the sale of utility services, food and drink, hotel occupancy and amusement charges. As a result, all sales of these services made within the city on or after March 1, 1991 will be subject to the Niagara Falls tax, except as otherwise discussed in this memorandum.

The combined sales and use tax rate of 7% (4% New York State, 3% Niagara County) currently imposed on sales of these services within the city of Niagara Falls is not increased by the tax imposed by the city; rather, revenues from the 3% local tax imposed within the city of Niagara Falls will be distributed to the city only. As a result all vendors who make taxable sales of these services within the city of Niagara Falls on and after March 1, 1991, must separately account for such sales for reporting purposes.

In addition, effective March 1, 1991, a separate accounting of these services for reporting purposes are to be made in Niagara County (outside the city of Niagara Falls) and must be reported on the appropriate schedules.

For proper distribution of state, county and city sales and use tax revenues, new and revised reporting lines for the city of Niagara Falls and Niagara County will be added to all affected schedules required to be filed for periods beginning on or after March 1, 1991. Sales of the enumerated services made within the city of Niagara Falls and Niagara County are to be reported using the following schedules tax rates and codes:

<u>Locality</u>	<u>Schedule</u>	<u>Tax Rate</u>	<u>Code</u>
Niagara Falls (city)	Schedule A-Part I	7%	2910
Niagara County	Schedule A-Part I	7%	2914
Niagara Falls (city)	Schedule A-Part II	7%	2912
Niagara County	Schedule A-Part II	7%	2915
Niagara Falls (S.D.)	Schedule B-Part I	10%	2924
Niagara County (outside Niagara Falls S.D.)	Schedule B-Part I	7%	2903
Niagara Falls (S.D.)	Schedule B-Part II	6%	L2924
Niagara County (outside Niagara Falls S.D.)	Schedule B-Part II	3%	L2903
Niagara County	Schedule B-Part IV*	3%	2905

* Sales of coal, wood (for heating) and fuel oil made in Niagara County, both inside and outside the city of Niagara Falls, previously reported on the Niagara County line in Schedule B, Part III, must, effective March 1, 1991, be reported on Schedule B, Part IV.

Transitional Provisions

Hotel/Motel Room Bills

When charges for hotel or motel room occupancy are billed on a daily basis, all such charges billed on or after March 1, 1991 are to be reported on Schedule A, Part I on the Niagara Falls (city) line.

When charges for hotel or motel room occupancy are billed on other than a daily basis, only the portion of the bill that covers the days after March 1, 1991 is to be reported on Schedule A, Part I on the Niagara Falls (city) line; the portion of the bill that covers the days before March 1, 1991 is to be reported on the Niagara County line on page 2 of the sales and use tax returns (or on page 1 of the limited jurisdiction return).

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

Admission Charges

Sales are to be reported on Schedule A, Part II on the Niagara Falls (city) line for taxable admissions for any event occurring on or after March 1, 1991, unless the admission tickets were actually sold and delivered to the purchaser before March 1, 1991. This is true whether or not the admission charge was paid before March 1, 1991.

Taxable admissions for events occurring before March 1, 1991 are to be reported on the Niagara County line on page 2 of the sales and use tax returns (or on page 1 of the limited jurisdiction return), as are admission tickets that are sold and delivered before March 1, 1991.

Social and Athletic Club Dues

The dues for membership (including membership renewals) in a social or athletic club are to be reported on Schedule A, Part II of the sales and use tax return on the city of Niagara Falls line if the membership period for which the dues are paid begins on or after March 1, 1991, regardless of when the dues are billed, when they are paid, or the payment terms.

The dues paid for memberships which begin before March 1, 1991 are to be reported on the Niagara County line on page 2 of the sales and use tax return (or on page 1 of the limited jurisdiction return) even though payment may actually be made on or after March 1, 1991.

Telephone Bills

Charges for telephone service (other than charges for which a bill was previously issued) furnished on or after the date of the first bill dated on or after March 1, 1991, are to be reported on Schedule B, Part I on the Niagara Falls S.D. line (city of Niagara Falls).

Residential Utility Bills Based on Meter Readings

When a meter is read on or after March 1, 1991, and more than half the number of days included in the period covered, by the bill, based on such meter reading, fall on or after March 1, 1991, all such charges are to be reported on Schedule Bt Part II on the Niagara Falls S.D. line (city of Niagara Falls).

Nonresidential Utility Bills Based on Meter Readings

When a meter is read on or after March 1, 1991, and more than half the number of days included in the period, covered by the bill, based on such meter reading, fall on or after March 1, 1991, all such charges are to be reported on Schedule B, Part I on the Niagara Falls S.D. line (city of Niagara Falls).