



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

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Sales Tax
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**Sales Tax Exemption for Volunteer Fire Companies
and Volunteer Ambulance Services**

Section 1116(b)(4) of the Tax Law has been amended to allow volunteer fire companies and volunteer ambulance services to buy motor fuel and diesel motor fuel exempt from sales tax at the time of purchase. The exemption applies to purchases made on and after December 1, 1996. Prior to December 1, 1996, these organizations are required to pay tax at the time of purchase, but may subsequently apply for a refund of tax paid.

This exemption is provided for any:

- volunteer fire company (as defined in Section 3 of the Volunteer Firefighters' Benefit Law), or
- volunteer ambulance service (as defined in Section 3001 of the Public Health Law).

Either type of organization must qualify as an exempt organization under section 1116(a)(4) of the Tax Law and also have a valid Exempt Organization Certificate (Form ST-119).

The exemption applies to purchases of motor fuel and diesel motor fuel for use or consumption in:

- firefighting vehicles, apparatus or equipment, or,
- emergency rescue or first aid response vehicles, apparatus or equipment.

The qualifying vehicles, apparatus and equipment must be owned and operated by the qualifying organization.

The exemption does **not** apply to motor fuel or diesel motor fuel purchased for use or consumption in a volunteer's personal vehicle or other personal equipment or apparatus, even if the vehicle, equipment or apparatus is used in responding to an emergency.

Only properly documented transactions are eligible for exemption. The seller must be able to document that the qualifying organization is both the purchaser **and payer** of record. (The payer of record is the one from whom the seller receives payment). If the qualifying organization is making a purchase with its credit card or on its charge account, the credit card or charge account records establish that the organization is the payer of record. Therefore, the purchase will be eligible for exemption.

Where the purchase is made using an individual's personal credit card or check, the exemption does not apply because the organization is not the payer of record.

To establish eligibility, the qualifying organization must give the seller both a copy of its Form ST-119, *Exempt Organization Certificate*, and a properly completed Form FT-937, *Certificate of Sales Tax and Motor Fuel Tax Exemption for Qualified Hospitals, Volunteer Fire Companies and Volunteer Ambulance Services*.

Bulk Retail Sales

Typically, when fuel is sold in bulk to volunteer fire companies or ambulance services, it is delivered from a tank truck directly into the qualifying organization's equipment, apparatus or vehicles, or into the qualifying organization's storage tank.

To document sales in bulk delivered into the qualifying organization's equipment, apparatus or vehicles or into the qualifying organization's storage tank, the seller should retain:

- copies of the delivery ticket,
- log books or similar records confirming delivery,
- charge account receipts,
- invoices billed to the organization, and
- required exemption documents (i.e., a properly completed Form FT-937 and a copy of Form ST-119).

Retail Sales at a Filling Station

When motor fuel or diesel motor fuel is sold at a retail service station, most retailers are not equipped to make the sales tax adjustment at the time of sale.

To provide for the exemption for purchases at the retail pump, it may be necessary for the qualifying organization to enter into an agreement with the seller to provide the organization a charge account to use exclusively for exempt purchases of motor fuel and diesel motor fuel. (However, the seller is under no obligation to enter into an agreement.) When the organization uses this charge account to make purchases, the supplier may bill the qualifying organization for the fuel exclusive of the sales tax, although the original receipt issued at the pump included sales tax. It is important for the retail seller making charge account sales to keep records to substantiate the difference between the amount shown on the original receipt provided at the pump and the amount billed and collected.

To document qualifying retail sales at a retail service station, the seller needs to retain copies of all applicable documentation confirming deliveries into the qualifying organization's firefighting vehicles, apparatus or equipment or, emergency rescue or first aid response vehicles, apparatus or equipment. Therefore, a retailer should keep the following records:

- copies of charge account receipts, and log books (or similar records confirming deliveries),
- invoices or other billing statements to the qualifying organizations, and
- copies of the required exemption documents (a copy of Form ST-119 and a properly completed Form FT-937).

A volunteer fire company or volunteer ambulance service that purchased motor fuel or diesel motor fuel for use in qualifying equipment and paid tax at the time of purchase may apply for a refund of the tax paid using Form FT-500, *Application for Refund of Sales Tax Paid on Automotive Fuels*.