



Notice to Article 12-A Distributors of Motor Fuel Relating to Publication 790

New prepaid sales tax regions and rates

Beginning June 1, 2014, new prepaid sales tax regions are being established and the sales tax prepayment rates on motor fuel are changing. [Publication 790](#), *Chart for Prepayment of Sales Tax on Motor Fuel*, lists the prepayment rate per gallon for each region. As of June 1, 2014, the new version of Publication 790 replaces all previous versions.

Effective June 1, 2014, the new regions are:

New Region 1	New York City (Bronx, Kings (Brooklyn), New York (Manhattan), Richmond (Staten Island), and Queens counties) Dutchess County Orange County Putnam County Rockland County Westchester County
New Region 2	Nassau County Suffolk County
New Region 3	all other counties in New York State

Old Region 1 consisted of New York City and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. Old Region 2 consisted of all counties in New York State not in Region 1.

Use the new rates for each region when computing the amount of prepaid sales tax due on all motor fuel imported, caused to be imported, compounded, or produced in New York State beginning June 1, 2014. You must also use the new rates and regions to determine the additional prepaid sales tax due on any inventory held as of the close of business May 31, 2014.

Motor fuel prepaid tax adjustment

You must compute the additional tax due on inventory as a result of the change in the sales tax prepayment rates by determining the difference between the prior sales tax prepayment amount and the new prepayment amount in each region. In Nassau and Suffolk counties, you must determine the difference between the amount previously paid at the Old Region 1 rate and the new rate established in New Region 2.

Computing the adjustment

1. Determine the number of gallons of motor fuel in your inventory as of close of business May 31, 2014, for each region. You must also determine the county where the fuel is located for fuel held in Old Region 1 in order to properly compute the adjustment due.
2. Determine the amount of prepaid sales tax you already remitted on this inventory (number of gallons multiplied by the old rate).
3. Determine the amount of prepaid sales tax you are required to pass through on this fuel as of June 1, 2014 (number of gallons multiplied by the new rate for the applicable region).
4. Subtract the amount you previously paid from the amount due at the new rate and enter this amount for each region on Form FT-945/1045, *Report of Sales Tax Prepayment on Motor Fuel/Diesel Motor Fuel*, as instructed on the form.

Example

1. *Inventory of motor fuel as of May 31, 2014:*

Old Region 1 (Queens Co.): 3,000 gal.
Old Region 1 (Nassau Co.): 2,000 gal.
Old Region 2: 5,000 gal.

2. *Prepaid sales tax paid on inventory at old rates:*

Old Region 1 (Queens Co.): 3,000 gal. x 14.75¢/gal. = \$442.50
Old Region 1 (Nassau Co.): 2,000 gal. x 14.75¢/gal. = \$295.00
Old Region 2: 5,000 gal. x 14.00¢/gal. = \$700.00

3. *Prepaid sales tax due on inventory at new rates:*

New Region 1 (Queens Co.): 3,000 gal. x 17.50¢/gal. = \$525.00
New Region 2 (Nassau Co.): 2,000 gal. x 21.00¢/gal. = \$420.00
New Region 3: 5,000 gal. x 16.00¢/gal. = \$800.00

4. *Adjustment amounts (step 3 minus step 2):*

New Region 1: \$525.00 - \$442.50 = \$82.50
New Region 2: \$420.00 - \$295.00 = \$125.00
New Region 3: \$800.00 - \$700.00 = \$100.00

Report adjustment amounts on Form FT-945/1045 as instructed on the form.

NOTE: An N-Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.