



Notice to Article 12-A Distributors of Motor Fuel

New prepaid sales tax rates

Beginning September 1, 2017, the rates of prepaid sales tax on motor fuel are changing. Use the new rate 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.

The new prepaid rates applicable on September 1, 2017, are:

- Region 1: 16.0 cents per gallon
Region 2: 16.0 cents per gallon
Region 3: 15.0 cents per gallon

Table with 2 columns: Region description and list of counties. Region 1 includes NYC, Dutchess, Orange, Putnam, Rockland, and Westchester counties. Region 2 includes Nassau and Suffolk counties. Region 3 includes all other counties in NY State.

Motor fuel prepaid tax credit

Compute the credit for prepaid sales tax paid on inventory held as of August 31, 2017, as follows:

- 1. Determine the number of gallons of motor fuel in your inventory as of close of business August 31, 2017, for each region.
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 September 1, 2017 (number of gallons multiplied by the new rate).
4. Subtract the amount you are required to pass through at the new rate from the amount of tax previously paid.

Example:

	A - Gal. in inv. on 8/31/17	B - Old rate	C - Tax paid (A x B)	D - New rate	E - Tax due (A x D)	F - Credit amount (C - E)
Region 1	3,000	\$.175	\$525	x \$.160	\$480	\$45
Region 2	5,000	\$.210	\$1,050	x \$.160	\$800	\$250
Region 3	2,000	\$.160	\$320	x \$.150	\$300	\$20

Enter the credit amount for each region on Form FT-945/1045, *Prepaid Sales Tax - Motor Fuel Wholesaler's Detail Report*, as instructed on the form.

See also [Publication 790](#), *Chart for Prepayment of Sales Tax on Motor Fuel*. As of September 1, 2017, the new version of Publication 790 replaces all previous versions.

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.