

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
COMMISSIONER OF TAXATION AND FINANCE
ALBANY, NEW YORK

Pursuant to the authority contained in subdivision First of section 171, and subdivision 1 of section 1142 of the Tax Law, the First Deputy Commissioner of Taxation and Finance, being duly authorized to act due to the vacancy in the office of the Commissioner of Taxation and Finance, hereby adopts the following amendments to the Sales and Use Taxes Regulations, as published in Subchapter A of Chapter IV of Title 20 of the Official Compilation of Codes, Rules and Regulations of the State of New York.

Section 1. Subdivision (b) of section 561.1 of such regulations is amended to read as follows:

(b)(1) Every distributor of motor fuel must pay a prepaid sales tax on each gallon of motor fuel which it:

[(1)](i) imports or causes to be imported into this State for use, distribution, storage or sale in the State;

or

[(2)](ii) produces, refines, manufactures or compounds in this State.

(2) Such prepaid tax [is based on the prescribed regional average retail sales price and], as prescribed in section 1111(e) of the Tax Law, must be passed through to subsequent purchasers purchasing for resale.

Section 2. Subdivision (b) of section 561.3 of such regulations is amended to read as follows:

(b) The prepaid tax is based upon [the regional average retail sales price prescribed for] the region in which the motor fuel is imported, produced, refined, manufactured or compounded. The rate of prepaid tax for [purposes of computing the prepayment will either be six or seven percent, depending on the] each region [in which the motor fuel is located. See sections 561.11 and 561.12 of this Part for further information regarding

the prescribed regional average retail sales price and the regions created for purposes of the tax on motor fuel] is prescribed in section 1111(e)(2) of the Tax Law.

Section 3. The examples in subdivisions (b) and (c) of section 561.9 of such regulations are REPEALED.

Section 4. Sections 561.11 and 561.12 of such regulations are REPEALED.

Section 5. Section 561.15 of such regulations is amended to read as follows:

Section 561.15 Diesel motor fuel.

Except as otherwise provided, the provisions of this Part pertain to motor fuel and do not specifically apply to diesel motor fuel. See [section] sections 1102 and 1111(e) of the Tax Law for the imposition of the prepaid tax on diesel motor fuel. [See, also, Part 562 of this Title.]

Section 6. Part 562 of such regulations is REPEALED.

Dated: Albany, New York
July 17, 2007

Barbara G. Billet
Acting Commissioner and Executive Deputy
Commissioner of Taxation and Finance