

Table 36: Rate Structure of the Petroleum Business Tax as of January 1, 2014

Taxable Product	Rate (Cents Per Gallon)	Refunds, Credits or Exemptions	Imposition of Tax
Motor Fuels:			
Gasoline	18.4	Refund of tax for fuel used in farm production and motor fuel used in commercial fishing vessels engaged in harvesting	Initial point in the NYS distribution chain (e.g., first import or production).
Alternative Fuels (e.g., E-85, Compressed Natural Gas, liquefied natural gas)	No Tax	Liquefied Petroleum Gases also exempt.	When identified as a "motor fuel."
Aviation Fuels:			
Aviation Gasoline	7.4	Net rate after refund/credit.	Initial point in the NYS distribution chain (e.g., first import).
Kero-Jet Fuel	7.4	airlines that have direct intrastate flights between 4 cities in State are exempt	On "takeoff consumption" in NYS.
Highway Diesel Motor Fuel:	16.65	Exemption for fuel used in farm production and motor fuel used in commercial fishing vessels engaged in harvesting fish	Imposed on removal from an in-State fuel terminal or on delivery to retail location from outside the State
for Railroad Use	9.8	Lower rate for non-highway diesel motor fuel used to power railroad locomotives	
B-20 (biodiesel blend)	13.32	Partial 20% rate reduction	
Non-highway Diesel Motor Fuel:			
for Manufacturing production of TPP for sale	No tax	Exemption and reimbursement of full PBT.	No tax.
for Commercial Gallonage	10	Exemption and reimbursement of supplemental tax.	On final sale or use of product in NYS.
for Non-Residential heating purposes	5.4	Partial exemption and reimbursement of full PBT.	Same as above.
- sale for farming use; sale for use in residential heating, sale for use by exempt organization	No Tax	Farmers' exemption/refund for fuel used in farm production. Full exemption for sales for residential heating and sales to exempt organizations	No tax.
Residual Fuel:			
for Manufacturing production of TPP for sale	No tax	Exemption and reimbursement of full PBT.	No tax.
for Commercial Gallonage	7.6	Exemption and reimbursement of supplemental tax.	On final sale or use of product in NYS.
for Non-Residential heating purposes	4.1	Partial exemption of full PBT.	Same as above.
- sale for farming use; sale for use in residential heating, sale for use by exempt organization, fuel used as vessel bunker fuel	No Tax	Farmers' exemption/refund for fuel used in farm production. Full exemption for sales for residential heating, residual fuels used as bunker fuel, and sales to exempt organizations	No tax.

Petroleum Business Tax Exemptions:

Sales for export; sales to governmental entities when purchasing petroleum for their own use; sales of kerosene, except when blended with diesel motor fuels, motor fuels or residual fuels or when used to operate a motor vehicle; certain omnibus carriers; and nonpublic school operators.

Source: NYS Department of Taxation and Finance, Office of Tax Policy Analysis.