

Table 36: Rate Structure of the Petroleum Business Tax as of January 1, 2008

Taxable Product	Rate (Per Gallon)	Refunds, Credits or Exemptions	Imposition of Tax
Motor Fuels:			
Gasoline	16.4	Refund of tax for fuel used in farm production and motor fuel used in commercial fishing vessels engaged in harvesting fish.	Initial point in the NYS distribution chain (e.g., first import).
Alternative Fuels (e.g., E-85, Compressed Natural Gas)	No Tax	Liquefied Petroleum Gases also exempt.	When identified as a "motor fuel."
Aviation Fuels:			
Aviation Gasoline	6.5	Net rate after refund/credit.	Initial point in the NYS distribution chain (e.g., first import).
Kero-Jet Fuel	6.5	No special treatment.	On consumption in NYS.
Automotive Type Diesel Fuel:	14.65	Exemption for fuel used in farm production and motor fuel used in commercial fishing vessels engaged in harvesting fish.	First taxable sale or use (e.g., when identified as "automotive-type diesel fuel").
for Railroad Use	8.6	Lower rate for automotive diesel fuel used to power railroad locomotives.	
B-20 (biodiesel blend)	11.72	Partial 20% rate reduction	
Non-Automotive Type Diesel Fuel:			
for Manufacturing production of TPP for sale	No tax	Exemption and reimbursement of full PBT.	No tax.
for Commercial Gallonage	8.9¢	Exemption and reimbursement of supplemental tax.	On final sale or use of product in NYS.
for Non-Residential heating purposes	4.8¢	Partial exemption and reimbursement of full PBT.	Same as above.
Electric Utility for electric generation (1)	Tax free with direct pay permit	Tax paid on quantity of fuel used and a credit against the basic tax of 5.95¢ allowed.	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	6.8¢	Exemption and reimbursement of supplemental tax.	On final sale or use of product in NYS.
for Non-Residential heating purposes	3.7¢	Partial exemption of full PBT.	Same as above.
Electric Utility for electric generation (1)	Tax free with direct pay permit	Tax paid on quantity of fuel used and a credit against the basic tax on base of 5.91¢ allowed.	Same as above.
- sale for farming use; sale for use in residential heating, sale for use by exempt organization, fuels 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.

(1) Available to utilities which are rate regulated by the New York Public Service Commission (PSC). Such fuels used by non-rate regulated entities in generating electricity are taxed at the applicable PBT commercial gallonage rate.

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