

Table 36: Rate Structure of the Petroleum Business Tax as of January 1, 2010

| Taxable Product | Rate (Per Gallon) | Refunds, Credits or Exemptions | Imposition of Tax |
|--|---------------------------------|--|---|
| Motor Fuels: | | | |
| Gasoline | 16.3 | 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: | 14.55 | 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 | 8.5 | Lower rate for automotive diesel fuel used to power railroad locomotives. | |
| B-20 (biodiesel blend) | 11.64 | 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 5.94¢ 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 5.90¢ 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.