



How to Apply for a Refund of Sales and Use Tax

Introduction

You may be eligible for a refund of sales tax if you made a purchase and paid too much sales tax (or paid sales tax in error), or if you are a business registered for sales tax who repaid sales tax to a customer. You may also file for a refund if you previously paid too much use tax.

This bulletin explains:

- who is eligible to claim a refund,
- which form to use to apply for a refund,
- what other documents you will need to support your refund claim, and
- when and where to send your refund claim.

If you are a business registered for sales tax, you may claim a credit against your sales tax due rather than apply for a refund. A credit will reduce the amount you owe on your sales tax return. For more information on claiming a credit, see Tax Bulletin [Sales Tax Credits \(TB-ST-810\)](#).

Who may apply for a refund

You may apply for a refund if you paid too much sales or use tax or if tax was paid in error. You may also apply if you are a business registered for sales tax and you can show that you repaid sales tax to a customer who previously paid the tax.

If you are a business registered for sales tax, you will **not** automatically receive a refund if you file an amended return showing that you paid too much sales tax. You must also submit a refund application with a copy of your amended return, along with documentation of the changes.

Forms to use to apply for a refund

Use the following forms when applying for a sales tax refund:

When a special application form is not required (see specialized application forms below): [Form AU-11](#), *Application for Credit or Refund of Sales or Use Tax*. You can also Web File this form and electronically provide documentation supporting the claim for refund.

Specialized application forms:

Qualified Empire Zone Enterprises (QEZE): [Form AU-12](#), *Application for Credit or Refund of Sales or Use Tax - Qualified Empire Zone Enterprise (QEZE)*.

Motor vehicles: [Form DTF-806](#), *Application for Refund and/or Credit of Sales or Use Tax Paid on Casual Sale of Motor Vehicle*.

Motor fuels: [Form FT-500](#), *Application for Refund of Sales Tax Paid on Automotive Fuels.*

Motor fuels sold to government entities: [Form AU-629](#), *Application for Refund/Reimbursement of Taxes Paid on Fuel Sold to Governmental Entities by Registered Distributors.*

Motor fuels purchased by government entities: [Form FT-504](#), *Claim for Refund of Taxes Paid on Fuel by a Government Entity*, and [Form FT-505](#), *Claim for Refund of Taxes Paid on Government Entity Credit Card Purchases of Fuel.*

Prepaid sales tax on motor fuel sold at retail service stations: [Form FT-950](#), *Application for Refund of Prepaid Sales Tax on Motor Fuel Sold at Retail Service Stations.*

Prepaid sales tax on motor fuel sold other than at retail service stations: [Form FT-949](#), *Application for Refund of Prepaid Sales Tax on Motor Fuel Sold Other Than at Retail Service Stations.* You can Web File this form and electronically provide documentation supporting the claim for refund.

Prepaid sales tax on diesel motor fuel sold at retail service stations: [Form FT-1007](#), *Application for Refund of Prepaid Sales Tax on Diesel Motor Fuel Sold at Retail Service Stations.*

Prepaid sales tax on diesel motor fuel sold other than at retail service stations: [Form FT-1010](#), *Application for Refund of Prepaid Sales Tax on Diesel Motor Fuel Sold Other Than at Retail Service Stations.* You can Web File this form and electronically provide documentation supporting the claim for refund.

Motor fuels purchased by farmers: [Form FT-420](#), *Refund Application for Farmers Purchasing Motor Fuel.*

Fuels used by commercial fishermen: [Form AU-631](#), *Claim for Refund/Reimbursement of Taxes Paid on Fuel Used in a Vessel Engaged in Commercial Fishing.*

What you must include when applying for a refund

When filing for a sales tax refund, it is important to include all necessary information in your request. This will reduce delays and speed up the processing of your refund. Be sure to include:

- your completed and signed application form;
- all documents necessary to substantiate your claim for refund; and
- a completed [Form POA-1](#), if required.

A person other than the claimant (the owner, partner, or an officer of the business listed as the claimant) may sign the refund application; however, you must submit a properly completed [Form POA-1](#), *Power of Attorney*, with the refund application. The Power of Attorney authorizes the person to act on the claimant's behalf and to receive information about the refund application. However, if approved, we will only pay the refund to the claimant.

If you fail to include or sign your application form, or you fail to include documentation or [Form POA-1](#) (if required), we will return your refund application to you, along with a letter explaining what you need to do to properly complete the application.

What documents you must include to substantiate your refund claim

Include all invoices, receipts, contracts, or any other documents that prove you paid the sales tax. Photocopies are acceptable.

If your documents are voluminous, you may submit a summary in table form or a schedule. The department may ask for additional information or documentation as needed.

You must include an explanation of the basis for your refund claim. Depending on the circumstances, you may need to include additional documentation. Here are some examples of refunds and the documents used to claim them.

Example: You paid sales tax to a contractor for a capital improvement. To be eligible for a refund you must provide proof showing you paid sales tax to the contractor that performed the service. You must also include invoices or other documents showing that the work performed qualifies as a capital improvement. (See Tax Bulletin [Capital Improvements \(TB-ST-104\)](#) for additional information.)

Example: Your business paid sales tax on utilities used directly and exclusively in manufacturing. If some of the electricity usage on your utility bill is for nonproduction activities, you must include your own survey or an electrical engineer's survey detailing the percentage of electricity used directly and exclusively in production. In addition, you must include utility statements or a detailed schedule of utilities you purchased and used directly and exclusively in the production process, along with a sampling of utility statements. (For details, see [TSB-M-82\(25\)S](#), Determining Electricity Used in the Production of Tangible Personal Property for Sale, and [Publication 852](#), Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners, and Extractors, and Other Producers of Goods and Merchandise.)

Example: You paid sales tax on a wig to be used as a prosthesis. Since a wig is often used for cosmetic purposes which do not relate to medical illness, sales tax must be paid at the time of purchase. But if you can show that the wig is used as a result of a medical problem, you may be eligible for a refund. Along with invoices or other documents showing the tax you paid on the wig, you must also include a statement from your physician describing the specific medical problem that resulted in the need for a prosthesis. (For details, see [Publication 822](#), Taxable Status of Medical Equipment and Supplies, Prosthetic Devices, and Related Items.)

Upon receipt we will review your application and let you know if we need more documentation. We'll send you a letter explaining what information we need, including a name and number to call if you have questions. If you fail to respond, we may adjust or deny your refund.

When to submit a refund application

You must submit your application within three years from the date your tax was due to the Tax Department, or two years from the date you paid the tax, whichever is later.

Where to send a refund application

If the refund form needed cannot be filed online, your application and all attachments can be mailed or delivered to the proper address listed below.

Forms [AU-11](#), [AU-12](#), and [DTF-806](#):

NYS TAX DEPARTMENT
 TDAB - SALES TAX REFUNDS
 W A HARRIMAN CAMPUS
 ALBANY NY 12227

Forms [FT-500](#), [AU-629](#), [FT-504](#), [FT-505](#), [FT-950](#), [FT-949](#), [FT-1007](#), [FT-1010](#), [FT-420](#), and [AU-631](#):

By mail:

NYS TAX DEPARTMENT
 FUEL TAX REFUND UNIT
 PO BOX 5501
 ALBANY NY 12205-0501

Or, if being delivered by private delivery service:

NYS TAX DEPARTMENT
 TTTB/FACCTS - FUELS UNIT
 90 COHOES AVE
 GREEN ISLAND NY 12183-1515

When to expect your refund

If your refund application is properly completed and signed, and all required documentation is included, we will begin processing it. We are required by law to process a properly completed refund claim within six months after we receive it, but generally the refund process will take less than the maximum time.

Review and decision regarding your application

Upon review of your application, the Tax Department will then either **approve**, **adjust**, or **deny** your refund, or recommend it for a **field audit review**.

Approve: We will send a check including any applicable interest within two to four weeks after we complete processing and the request is sent to the State Comptroller's office for review and payment.

Adjust: We will send a check for a smaller amount than you requested within three to four weeks after we complete processing and the refund request is sent to the State Comptroller's office for review and payment. We will also send a *Letter of Disallowance* explaining the changes. If you disagree, you may file a petition with the Bureau of Conciliation and Mediation Services, or the Division of Tax Appeals, within 90 days of the date on the *Letter of Disallowance*.

Deny: We will send you a *Letter of Disallowance* explaining the reason for the denial. If you disagree, you may file a petition with the Bureau of Conciliation and Mediation Services, or the Division of Tax Appeals, within 90 days of the date on the *Letter of Disallowance*.

Field audit review: Under certain circumstances, (for example, if we need a substantial amount of documentation), we may recommend your refund claim for a sales tax field audit review. If that happens, a Tax Department auditor will contact you to set up an appointment.

If we are already conducting a sales tax field audit review of your books and records when you submit your refund application, we may include your application in the field audit review.

How to check on the status of your refund application or replace a lost check

If it has been at least 90 days since you submitted your completed application along with all required documentation and you have not received your check, or you received your check and lost it, you can contact us at (518) 591-3100 weekdays 8:00 A.M. to 5:00 P.M., or for sales tax refunds on motor fuel at (518) 591-3077 weekdays 8:00 A.M. to 5:00 P.M.

We will release information only to the person who signed the application, or to the representative listed on the Power of Attorney form, if applicable.

If we have approved in full or adjusted your claim, we may refer you to the Office of the State Comptroller (OSC), which issues the refund checks.

Your refund check may include interest

You may be entitled to interest in certain situations, as provided by the Tax Law. If applicable, interest will only be paid if a properly completed [Form AU-11](#) is not processed within 3 months of receipt by the Tax Department. Special rules apply for refund requests of sales tax paid on motor fuels.

Why your refund check may be smaller than you expect

We may reduce the amount of your refund based upon our findings while processing your refund application. See [Review and decision regarding your application](#) above. Also, all or part of your refund may not be paid to you because you owe money to the New York State Tax Department, to another New York State agency, to the Internal Revenue Service (IRS), to New York City, or to another state. If this *refund offset* reduces your check, we will send you a written explanation. However, we cannot answer any questions about a debt not owed to the New York State Tax Department. You must contact the other agency, the IRS, New York City, or the other state listed in the written explanation.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

References and other useful information

Tax Law: Sections 171-n, 1119, and 1139

Regulations: Part 534

Publications:

[Publication 822](#), *Taxable Status of Medical Equipment and Supplies, Prosthetic Devices, and Related Items*

[Publication 852](#), *Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*

Memoranda: [TSB-M-82\(25\)S](#), *Determining Electricity Used in the Production of Tangible Personal Property for Sale*

Bulletins:

[Capital Improvements \(TB-ST-104\)](#)

[Sales Tax Credits \(TB-ST-810\)](#)