



Vendor Collection Credit

Introduction

When you file your sales tax return and pay the full amount due on time, you may be eligible to claim a vendor collection credit. This credit will reduce the amount of money that you must send to New York State with your sales tax return.

Businesses eligible for the credit

Your business is eligible for the vendor collection credit if you file sales tax returns on:

- a quarterly basis ([Form ST-100](#), *New York State and Local Quarterly Sales and Use Tax Return*), or
- an annual basis ([Form ST-101](#), *New York State and Local Annual Sales and Use Tax Return*).

To qualify, you must file your return on time and pay what you owe in full. You can't claim the vendor collection credit on an amended return or on a past-due return. You can't carry over the credit to a future return.

Businesses not eligible for the credit

Your business is not eligible for the vendor collection credit if:

- you file your sales tax returns on a monthly basis ([Form ST-809](#), *New York State and Local Sales and Use Tax Return for Part-Quarterly [Monthly] Filers*, and [Form ST-810](#), *New York State and Local Quarterly Sales and Use Tax Return for Part-Quarterly [Monthly] Filers*), or
- you are enrolled in the PromptTax program for sales tax.

How to calculate the credit amount

If you qualify, the credit equals 5% of the taxes and fees reported on your return, up to a maximum of \$200 for each quarterly or annual reporting period. These taxes and fees are included when calculating the credit:

- state sales and use taxes;
- county, city, and school district sales and use taxes;
- supplemental sales taxes on:
 - passenger car rentals,
 - vapor products, and
 - certain information and entertainment services;
- New York City hotel unit fee; and
- net credit for prepaid sales tax on sales of fuel.

Note: The paper carryout bag reduction fee is not included when calculating the credit.

How to claim the credit

If you are eligible, Sales Tax Web File will automatically calculate the credit and deduct it from the tax due on your return.

If you can't file online, follow the instructions on your paper return to claim the credit.

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

Tax Law: Section 1137(f)