

Suffolk County Local Sales and Use Tax Rate Decrease on Residential Energy Sources and Services Effective December 1, 2005

All vendors of utility services:

Suffolk County has enacted legislation to decrease its local sales and use tax rate on receipts from the sale of energy sources and services used for residential purposes. As of December 1, 2005, the local tax rate imposed on **residential energy sources and services in Suffolk County will decrease from 2½% to 1½%** until June 1, 2006, when the rate will return to 2½%.

This change will affect your tax collections and payments if you make sales of residential energy sources and services in Suffolk County.

Residential energy sources and services include:

- gas (including propane in containers of 100 pounds or more), electricity, and steam; and
- coal, fuel oil, and wood for residential heating.

Reporting requirements:

Report residential sales of gas (including propane in containers of 100 pounds or more), electricity, and steam services in Suffolk County on Schedule B, Part 1, on the Suffolk County 1½% entry line. Report sales of coal, fuel oil, and wood (for heating) for residential use in Suffolk County on Schedule B, Part 2, on the Suffolk County 1½% entry line. The rate decrease described in this notice **does not affect** the rate of tax imposed on **nonresidential energy sources and services in Suffolk County**.

Special transitional provisions:

Unless the sales are based on meter readings, sales of residential energy sources and services made on or after December 1, 2005, are subject to sales tax at the rate in effect at the time of delivery to the customer, whether or not these sales were contracted for prior to any change in the sales tax rate. Where the bill for a sale is based on a meter reading that occurs on or after December 1, 2005, and the number of days from December 1, 2005, to the date of the meter reading is more than half the total number of days covered by the bill, report sales of these services on Schedule B at the lower rate of 1½%.