

Metropolitan Commuter Transportation District (MCTD) Sales and Use Tax Rate Increase Effective June 1, 2005

Attention:

All persons required to collect sales tax, pay compensating use tax, or both: Effective June 1, 2005, New York State has enacted legislation to increase from $\frac{1}{4}\%$ to $\frac{3}{8}\%$ the additional rate of tax imposed within the MCTD. The MCTD consists of **Dutchess County, Nassau County, Orange County, Putnam County, Rockland County, Suffolk County, Westchester County, and New York City.** This change will affect your tax collections and payments if you make taxable sales or deliveries to customers, or if you make taxable uses, within the MCTD.

Please see Important Notice N-05-8 for an explanation of the decrease to 4% of the state tax rate and notice ST-05-3 for an explanation of the decrease to 4% in the local rates of tax in New York City. The resulting new tax rates discussed in N-05-8 and ST-05-3 also reflect the increase in the sales and use tax rate described in this notice.

Reporting requirements

All taxable sales made within the MCTD reported on sales and use tax returns Form ST-100, Form ST-101, Form ST-102, and Form ST-810, must be reported on the applicable entry line.

All **Schedule B** filers reporting sales of **nonresidential** gas (including propane in containers of 100 pounds or more), electricity, refrigeration, and steam within the MCTD must enter this information on Schedule B, Part 3, on the applicable entry line.

All **Schedule T** filers reporting sales of telephone services, telephone answering services, and telegraph services within the MCTD must enter this information on Schedule T on the applicable entry line.

All **Schedule FR** filers reporting retail sales of motor fuel and diesel motor fuel must enter this information on the applicable entry line.

Special transitional provisions

All sales and uses occurring on or after June 1, 2005, are taxed at the new rates, except as provided below:

(a) Layaway sales

The new tax rates will apply to all sales in which the purchaser takes delivery of the merchandise on or after June 1, 2005.

b) Utility bills for nonresidential gas and electricity based on meter readings

If the meter is read on or after June 1, 2005, and the number of days from June 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 at the new rates.

The tax increase within the MCTD effective June 1, 2005, **does not affect** the rate of tax imposed on sales or uses of **residential energy sources and services** within the MCTD. See notice ST-05-3 regarding sales or uses of residential energy sources and services in New York City.

(c) Telephone bills

Report charges for services furnished on or after the date of the first bill dated in June 2005 at the new rates. Report charges for services furnished before the date of the first bill dated in June 2005 at the old rates, even though the services may be furnished after June 1, 2005.

(d) Telephone answering services

Prorate receipts that cover a period beginning before and ending after June 1, 2005. Receipts for the period prior to June 1, 2005, must be reported at the old rates. Report receipts for the period on and after June 1, 2005, at the new rates.

(e) Social and athletic club dues

Regardless of the date a bill is mailed, report all bills covering any period that begins on or after June 1, 2005, at the new rates. Report all bills covering periods that begin before June 1, 2005, at the old rates.

(f) Admissions

Report taxable admissions to an event occurring on or after June 1, 2005, at the new rates, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before June 1, 2005, to the person attending the event.

(g) Hotel occupancy

Report all taxable daily rentals occurring on or after June 1, 2005, at the new rates. Report all taxable daily rentals occurring before June 1, 2005, at the old rates. If the rental is on other than a daily basis, prorate the amount of rent between the number of days taxable at the old rate and the number of days taxable at the new rate.

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5:00 P.M. (eastern time), Monday through Friday.

To order forms and publications:	1 800 462-8100
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From areas outside the U.S. and outside Canada:	(518) 485-6800



Hotline for the hearing and speech impaired:

If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.