

Suffolk County Local Sales and Use Tax Rate Decrease On Residential Energy Sources and Services Expires Effective June 1, 2006

All vendors of utility services:

Effective June 1, 2006, Suffolk County's temporary tax rate decrease on receipts from the sale of energy sources and services used for residential purposes expires. This change will affect your tax collections and payments if you make sales of residential energy sources and services in Suffolk County.

As of June 1, 2006, sales of residential energy sources and services in **Suffolk County** are subject to tax at the rate of **2½%**.

Reporting requirements:

Report **residential** sales of gas, propane in containers of 100 pounds or more, electricity, and steam services in Suffolk County on Schedule B, Part 1, on the Suffolk County 2½% entry line. Report sales of coal, fuel oil, and wood (for heating) for residential use on Schedule B, Part 2, on the Suffolk County 2½% entry line. The tax rate change 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 June 1, 2006, 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 June 1, 2006, and the number of days from June 1, 2006, 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 higher rate of 2½%.