

## Important Notice

April 2005

### New York State Sales and Use Tax Rate Decrease Effective June 1, 2005

New York State's additional  $\frac{1}{4}$ % sales and use tax rate will expire. **As of June 1, 2005, the state sales and use tax rate is decreased to 4%.** 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 New York State. This decrease will apply to **all taxable sales and uses in New York State**, except as otherwise provided by the special transitional provisions listed below. Please see the chart on the back of this notice regarding the new combined state and local sales and use tax rates in effect as of June 1, 2005.

**Note:** Whenever a sales and use tax rate changes, the corresponding jurisdictional reporting code is replaced with a new code. Therefore, you should be aware that all tax rates affected by the state tax decrease described in this notice have been assigned **new jurisdictional reporting codes**. The new codes will be reflected in the sales and use tax returns and related schedules for June 1, 2005, through August 31, 2005.

If you report sales in one of the following jurisdictions:

- Dutchess County
- Nassau County
- Orange County
- Putnam County
- Rockland County
- Suffolk County
- Westchester County

Please see notice ST-05-4 for an explanation of the increase to  $\frac{3}{8}$ % of the tax imposed in these jurisdictions for the benefit of the Metropolitan Commuter Transportation District (MCTD). The resulting new tax rates discussed in ST-05-4 also reflect the decrease in the state sales and use tax rate described in this notice.

If you report sales in New York City, please see notice ST-05-3 for an explanation of the decrease to 4% of the local rates of tax imposed in New York City, and notice ST-05-4 for an explanation of the increase to  $\frac{3}{8}$ % of the tax imposed in the MCTD. The resulting new tax rates described in notice ST-05-3 take into account the rate changes described in this notice and in notice ST-05-4.

New York City comprises five counties. These counties are also boroughs whose names are more widely known. The counties, with borough names shown in parentheses, are Bronx (Bronx), Kings (Brooklyn), New York (Manhattan), Queens (Queens), and Richmond (Staten Island).

#### Special transitional provisions

- (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** — Where the bill for a sale of nonresidential energy sources and services is based on a meter reading that occurs 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, you must report the sale at the new rates effective June 1, 2005. **The state sales and use tax rate does not apply to sales of residential energy sources and services.**

Unless the sales are based on meter readings, sales of nonresidential energy sources and services made on or after June 1, 2005, will be 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 rates.

- (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 rates and the number of days taxable at the new rates.

The following chart shows the new state tax rate of 4% combined with any county and city tax rate in effect as of June 1, 2005, and also reflects the additional rate changes described in notices ST-05-3 and ST-05-4.

County or other locality	Tax rate %	County or other locality	Tax rate %	County or other locality	Tax rate %
Albany	8	*Kings (Brooklyn) — see <i>New York City</i>		*Rockland	8
Allegany	8 <sup>1</sup> / <sub>2</sub>	Lewis	7 <sup>3</sup> / <sub>4</sub>	St. Lawrence	7
*Bronx — see <i>New York City</i>		Livingston	8	Saratoga — except	7
*Brooklyn — see <i>New York City</i>		Madison — except	8	Saratoga Springs (city)	7
Broome	8	Oneida (city)	8	Schenectady	8
Cattaraugus — except	8	*Manhattan — see <i>New York City</i>		Schoharie	8
Olean (city)	8	Monroe	8	Schuyler	8
Salamanca (city)	8	Montgomery	8	Seneca	8
Cayuga — except	8	*Nassau	8 <sup>5</sup> / <sub>8</sub>	*Staten Island — see <i>New York City</i>	
Auburn (city)	8	*New York (Manhattan) — see <i>New York City</i>		Steuben — except	8
Chautauqua	8 <sup>1</sup> / <sub>4</sub>	*New York City	8 <sup>3</sup> / <sub>8</sub>	Corning (city)	8
Chemung	8	Niagara	8	Hornell (city)	8
Chenango — except	8	Oneida — except	9 <sup>1</sup> / <sub>2</sub>	*Suffolk	8 <sup>5</sup> / <sub>8</sub>
Norwich (city)	8	Rome (city)	9 <sup>1</sup> / <sub>2</sub>	Sullivan	7 <sup>1</sup> / <sub>2</sub>
Clinton	7 <sup>3</sup> / <sub>4</sub>	Sherrill (city)	9 <sup>1</sup> / <sub>2</sub>	Tioga	8
Columbia	8	Utica (city)	9 <sup>1</sup> / <sub>2</sub>	Tompkins — except	8
Cortland	8	Onondaga	8	Ithaca (city)	8
Delaware	8	Ontario — except	7	Ulster	8
*Dutchess	8 <sup>1</sup> / <sub>8</sub>	Canandaigua (city)	7	Warren — except	7
Erie	8	Geneva (city)	7	Glens Falls (city)	7
Essex	7 <sup>3</sup> / <sub>4</sub>	*Orange	8 <sup>1</sup> / <sub>8</sub>	Washington	7
Franklin	7	Orleans	8	Wayne	8
Fulton — except	7	Oswego — except	8	*Westchester — except	7 <sup>3</sup> / <sub>8</sub>
Gloversville (city)	7	Fulton (city)	8	*Mount Vernon (city)	8 <sup>3</sup> / <sub>8</sub>
Johnstown (city)	7	Oswego (city)	8	*New Rochelle (city)	8 <sup>3</sup> / <sub>8</sub>
Genesee	8	Otsego	8	*White Plains (city)	7 <sup>7</sup> / <sub>8</sub>
Greene	8	*Putnam	7 <sup>3</sup> / <sub>8</sub>	*Yonkers (city)	8 <sup>3</sup> / <sub>8</sub>
Hamilton	7	*Queens — see <i>New York City</i>		Wyoming	8
Herkimer	8	Rensselaer	8	Yates	8
Jefferson	7 <sup>3</sup> / <sub>4</sub>	*Richmond (Staten Island) — see <i>New York City</i>			

\*Rates in these jurisdictions include <sup>3</sup>/<sub>8</sub>% imposed for the benefit of the Metropolitan Commuter Transportation District.