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## How to Apply for a Refund of Sales and Use Tax

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### Introduction

This bulletin provides information about when and how you can apply for a refund of sales and use tax.

This bulletin explains:

- who is eligible to claim a refund,
- which form to use to apply for a refund,
- what other documents you will need to support your refund claim, and
- when to send your refund claim.

### Eligibility

You may be eligible for a refund of sales or use tax if:

- you paid too much sales tax on a purchase,
- you paid sales or use tax in error, or
- you are a business registered for sales tax and you overpaid sales or use tax, paid sales or use tax in error, or collected, reported, and remitted sales tax but then repaid it to your customers.

If you are a business registered for sales tax, you may claim a credit against your sales tax due on your sales tax return. A credit will reduce the amount you owe. For more information, see Tax Bulletin [Sales Tax Credits \(TB-ST-810\)](#).

### Refund forms

[Form AU-11](#), *Application for Credit or Refund of Sales or Use Tax*, is the most commonly used refund form. You may submit this form using [Sales Tax Web File](#) if you have an [Online Services](#) account for your business.

#### Other sales tax refund forms:

**Qualified Empire Zone Enterprises (QEZE):** [Form AU-12](#), *Application for Credit or Refund of Sales or Use Tax - Qualified Empire Zone Enterprise (QEZE)*. You may submit this form using [Sales Tax Web File](#) if you have an [Online Services](#) account for your business.

**Motor vehicles:** [Form DTF-806](#), *Application for Refund or Credit of Sales or Use Tax Paid on a Casual Sale of Motor Vehicle*.

**Fuel:** [Form FT-500](#), *Application for Refund of Sales Tax Paid on Petroleum Products*, and Form [FT-500-I](#), *Instructions for Form FT-500*.

**Fuel purchased by a government entity:** [Form FT-504](#), *Claim for Refund of Taxes Paid on Fuel by a Government Entity*, and [Form FT-505](#), *Claim for Refund of Taxes Paid on Government Entity Credit Card Purchases of Fuel*.

**Motor fuel purchased by farmers:** [Form FT-420](#), *Refund Application for Farmers Purchasing Motor Fuel.*

**Fuel used by commercial fishermen:** [Form AU-631](#), *Claim for Refund/Reimbursement of Taxes Paid on Fuel Used in a Vessel Engaged in Commercial Fishing.*

**Prepaid sales tax refund forms:**

**Fuel sold to a government entity:** [Form AU-629](#), *Application for Refund/Reimbursement of Taxes Paid on Fuel Sold to Governmental Entities by Registered Distributors.*

**Motor fuel (retail service stations):** [Form FT-950](#), *Application for Refund of Prepaid Sales Tax on Motor Fuel Sold at Retail Service Stations.*

**Motor fuel (other than retail service stations):** [Form FT-949](#), *Application for Refund of Prepaid Sales Tax on Motor Fuel Sold Other Than at Retail Service Stations.*

**Diesel motor fuel (retail service stations):** [Form FT-1007](#), *Application for Refund of Prepaid Sales Tax on Highway Diesel Motor Fuel Sold at Retail Service Stations.*

**Diesel motor fuel (other than retail service stations):** [Form FT-1010](#), *Application for Refund of Prepaid Sales Tax on Diesel Motor Fuel Sold Other Than at Retail Service Stations.*

**Cigarettes:** [Form CG-114](#), *Claim for Redemption/Refund of Cigarette Tax Stamps and Prepaid Sales Tax.*

**Indian tax exempt cigarette sales:** [Form CG-114-E](#), *Expedited Claim for Refund for Indian Tax-Exempt Cigarette Sales.*

## Documentation

It is important to include all necessary information with your request for a refund. This will reduce delays and we will process your refund faster. Be sure to include:

- your completed and signed application form,
- all documents necessary to substantiate your claim for refund, and
- a completed [Form POA-1](#), *Power of Attorney*, if required.

A person other than the claimant may sign the refund application, but in that case you must also submit a properly completed [Form POA-1](#) clearly indicating that the representative is authorized to sign. [Form POA-1](#) authorizes the person to act on your behalf and receive information about the refund application.

You must include an explanation of the basis for your refund claim. Depending on the circumstances, you may need to include additional documentation.

If you have a large amount of documentation, you may submit a summary explanation in table form. We may ask for additional information or documentation as needed.

**Example:** *Your business paid sales tax on utilities used directly and exclusively in manufacturing. If some of the electricity usage on your utility bill is for nonproduction activities, you must include your own survey or an electrical engineer's survey detailing the percentage of electricity used directly and exclusively in production. In addition, you must include utility statements or a detailed schedule of utilities you purchased and used directly and exclusively in the production process, along with a*

*sampling of utility statements. (For additional information, see Tax Bulletin [Utilities Used in Production \(TB-ST-917\)](#) and [Publication 852](#), Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise.)*

We will review your application and let you know if we need more documentation. We will send you a letter explaining what information we need, including a name and number to call if you have questions. If you do not respond, we may adjust or deny your refund.

### **Timeliness**

You must submit your application within three years from the date the tax was due to the Tax Department, or two years from the date you paid the tax, whichever is later.

### **When to expect your refund**

If your refund application is properly completed and signed, and you include all required documentation, we will begin processing it. We are required by law to process a properly completed refund claim within six months after we receive it, but generally the review process will take less time.

### **Decision regarding your application**

After reviewing your application, we will **approve**, **adjust**, or **deny** your refund.

**Approve:** We will send you a check including interest, if applicable.

**Adjust:** We may reduce the amount of your refund based upon our review of your refund application. If this happens, we will send you a written explanation. If you disagree, you may file a petition with the Bureau of Conciliation and Mediation Services, or the Division of Tax Appeals, within 90 days of the date on the letter.

**Deny:** We will notify you and explain the reason for the denial. If you disagree, you may file a petition with the Bureau of Conciliation and Mediation Services, or the Division of Tax Appeals, within 90 days of the date on the denial letter.

**Field audit review:** Under certain circumstances (for example, if we need a substantial amount of documentation), we may recommend your refund claim for a sales tax field audit review. If that happens, a Tax Department auditor will contact you to set up an appointment.

If we are already conducting a sales tax field audit review of your books and records when you submit your refund application, we may include your application in the field audit review.

### **Refund offsets**

We may apply all or part of your refund to the following if you owe money to them:

- the New York State Tax Department,
- another New York State agency,
- the Internal Revenue Service (IRS),
- New York City, or
- another state.

**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 and other useful information**

**Tax Law:** Sections 171-n, 1119, 1120, 1121 and 1139

**Regulations:** Part 534

**Memoranda:** [TSB-M-82\(25\)S](#), *Determining Electricity Used in the Production of Tangible Personal Property for Sale*

**Publications:** [Publication 852](#), *Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*

**Bulletins:**

[Sales Tax Credits \(TB-ST-810\)](#)

[Utilities Used in Production \(TB-ST-917\)](#)

[Machinery, Equipment, Materials, and Services Used in Production \(TB-ST-552\)](#)