

Reduced Petroleum Business Tax (PBT) Rates for Nonresidential Heating and PBT Reimbursement for Mining and Extracting

Reduced PBT rates for nonresidential heating

On August 9, 1999, Governor George E. Pataki signed into law Chapter 407 of the Laws of 1999. This act contains a provision for a 20 % reduction in the PBT rates on diesel motor fuel and residual petroleum product when sold to consumers exclusively for the purpose of nonresidential heating. The reduced rates also apply to registered petroleum businesses that use these fuels for such purpose. This reduction is effective April 1, 2001.

The new nonresidential heating rates are 6.1 cents per gallon for diesel motor fuel and 4.7 cents per gallon for residual petroleum product. These rates are shown on Publication 908 (4/01), *Fuel Tax Rates*. PBT rates are subject to annual indexing, and if necessary, adjusted annually in Publication 908.

(Tax Law, Section 301-b(d)(2))

PBT reimbursement for mining and extracting

Chapter 407 also provides for a reimbursement of the PBT to purchasers of diesel motor fuel and residual petroleum product when these fuels are used and consumed directly and exclusively in the production of tangible personal property for sale by mining or extracting. This reimbursement applies to gallonage used and consumed on or after April 1, 2001.

Purchasers will be allowed a reimbursement of the PBT at the commercial gallonage rate (currently 7.6 cents per gallon for nonautomotive diesel motor fuel and 5.9 cents per gallon for residual petroleum product). If a purchaser paid the full automotive diesel motor fuel PBT rate (currently 12.25 cents per gallon), the full amount is reimbursable.

To be eligible for reimbursement, the fuel/product must be delivered at the mining or extracting site and consumed off the highways of New York State. No reimbursement is allowed for purchases of diesel motor fuel at a filling station.

This reimbursement may be claimed on Form AU-630, *Application for Reimbursement of the Petroleum Business Tax*. Any application for reimbursement must be made within two years from the date of purchase. This form is available by calling our fax-on-demand system (fax code 13052) at 1 800 748-3676 or on the department's Web site at www.tax.state.ny.us.

(Tax Law, Section 301-c(1))