

## **Reduction of the Petroleum Business Tax for Aircraft Operators**

On August 20, 2004, Governor Pataki signed Chapter 60 of the Laws of 2004. This act reduces the amount of petroleum business tax on aviation fuel consumed in intrastate flights and adds an exemption for certain aviation fuel businesses.

### **Reduction in the petroleum business tax on intrastate flights**

Effective November 1, 2004, only fuel burned during takeoffs from New York State will be deemed to be consumed in New York State and therefore subject to the petroleum business tax under Article 13-A of the Tax Law. Under previous law, in addition to fuel burned during takeoffs from New York State being subject to tax, all fuel burned in New York State during intrastate flights (including intrastate legs of interstate and international flights) was also subject to tax.  
(Tax Law, section 301-e(e)(2))

### **Exemption from the petroleum business tax**

Effective June 1, 2005, an aviation fuel business which services four or more cities within New York State with non-stop flights between those cities is exempt from the petroleum business tax on kero-jet fuel or aviation gasoline used in its aircraft.  
(Tax Law, section 301-e(f))