

**Change to Local Chautauqua County Sales and Compensating Use Tax Exemption
for Clothing, Footwear, and
Items Used to Make or Repair Exempt Clothing
Effective September 1, 2006**

As a result of an amendment made to the Tax Law by Chapter 144 of the Laws of 2006, beginning September 1, 2006, only clothing, footwear, and items used to make or repair exempt clothing **costing less than \$110** per item or pair will be exempt from the 4% local sales and compensating use taxes in Chautauqua County. This new law makes the provisions of the Chautauqua County clothing and footwear exemption consistent with the state year-round sales and use tax exemption on clothing and footwear. Accordingly, effective September 1, 2006, the same items that are exempt from the state sales and use taxes are also exempt from the Chautauqua County sales and use taxes.

It should be noted that from March 1, 2006 to August 31, 2006, the \$110 threshold does not apply to the local Chautauqua County sales and use tax exemption. Therefore, all clothing and footwear and all items used to make or repair clothing are exempt from the local Chautauqua County sales and use taxes for that period regardless of the cost.

Transitional provisions for the local Chautauqua County sales and use tax exemption

Mail, telephone, and Internet orders

The local Chautauqua County sales and use tax exemption for clothing, footwear, and items used to make or repair exempt clothing regardless of the cost will apply to purchases that are ordered by mail or by telephone and accepted by the vendor **prior to** September 1, 2006, even if the purchases are picked up or received in Chautauqua County **on or after** September 1, 2006. An order is accepted by the vendor when the vendor has taken an action to fill the order. Actions to fill an order include placing an in-date stamp on a mail order or assigning an order number to a telephone order. The same rule applies to orders made using the Internet and e-mail.

Purchases of items ordered by mail or by telephone **on or after** September 1, 2006, will be exempt from the local Chautauqua County sales and use taxes only if the cost is less than \$110 per item or pair.

Rain checks

Purchases in Chautauqua County made with a rain check, issued before September 1, 2006, will be exempt from the local Chautauqua County sales and use taxes regardless of the cost. Purchases of items made with a rain check issued **on or after** September 1, 2006, will be exempt from the local Chautauqua County sales and use taxes only if the cost is less than \$110 per item or pair.

For general rules relating to the sales tax exemption on clothing and footwear, see TSB-M-06(6)S.