

1983 Legislation

Sales Tax Exemption For Rural Electric Cooperatives

Chapter 888 of the Laws of 1983, effective September 1, 1983, adds a new paragraph (8) to section 1116(a) of the Tax Law providing an exemption from sales and use tax to cooperative and foreign corporations doing business in the state pursuant to the Rural Electric Cooperative Law, but not for state imposed local taxes under sections 1107 and 1108 of the Tax Law.

Rural electric cooperatives that have applied for and received a numbered Exempt Organization Certificate from the Department of Taxation and Finance may make tax free purchases by presenting vendors with properly completed copies of the Exempt Organization Certification, Form ST-119.1, provided they are both the direct purchaser and payer of record.

Section 1116(b) of the Tax Law has also been amended to provide for a paragraph (4) which requires rural electric cooperatives to collect sales tax on their sales of tangible personal property and services, except where the purchaser is an organization exempt under section 1116.