



Department of Taxation and Finance

Important:

The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.

For the most up-to-date state and local sales and use tax rates, reporting code information, and other information, see the Department of Tax and Finance website: [Find sales tax rates](#).

The TSB-M begins on page 2 below.

City of Schenectady Enacts 3% Local Sales and Use Tax

According to the authority granted by section 1210 of Article 29 of the New York State Sales and Use Tax Law, the City of Schenectady has enacted a 3% local sales and use tax to be effective March 1, 1983.

This tax must be reported on page 2 of all annual, quarterly or part-quarterly returns under Code 4218, at the combined State and city rate of 7%. This 7% rate applies throughout the City of Schenectady to all sales and purchases of tangible personal property and services subject to sales and use tax by law (including propane gas when sold in containers of less than 100 pounds), with the following exceptions:

- (1) Within the Schenectady School District (outside city) the combined tax rate will remain at 7% on sales of telephone, telegraph and refrigeration services and non-residential service of gas including propane (unless sold in containers of less than 100 pounds), electricity and steam (reportable on Schedule B, Part 1-Code 4202). Within the Schenectady School District and city, the combined tax rate will remain at 10% on sales of telephone, telegraph and refrigeration services and nonresidential service of gas including propane (unless sold in containers of less than 100 pounds), electricity and steam (reportable on Schedule B, Part I-Code 4222).
- (2) Within the Schenectady School District outside the city, the sales tax rate will remain at 3% on residential service of gas including propane (unless sold in containers of less than 100 pounds), electricity and steam (reportable on Schedule B, Part II - Code L4200). Within the Schenectady School District inside the city, the sales tax is imposed by the school district as well as by the city (3% s.d., 3% city - total 6%) on residential service of gas including propane (unless sold in containers of less than 100 pounds), electricity and steam (reportable on Schedule B, Part II - Code L4210).
- (3) In addition, a sales tax of 3% (city only) is imposed on the residential energy sources and services of fuel oil (but not diesel motor fuel); coal; steam; wood used for residential heating purposes only; and steam service. This tax is reportable on Schedule B, Part III under Code 4214.
- (4) A tax of 3% (city only) must be collected on sales of servicing, installing, repairing or maintaining manufacturing machinery, equipment, parts, tools and supplies used directly and predominantly in the production of a product for sale. This tax is to be reported on Schedule U (Page 2 Supplement) under Code L4218.
- (5) Registered motor fuel distributors must report sales of motor fuel on Schedule D on the line for the locality in which delivery occurs, regardless of the rate of tax collected. The rate may vary depending on the purchaser, as explained in TSB-M-82(28)S. The code for the City of Schenectady on Schedule D is D4218.

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SPECIAL TRANSITIONAL PROVISIONS

Where delivery or transfer of possession occurs on or after March 1, 1983, the new combined state and local sales and use tax rate applies, except in the following instances:

Lay-away sales

The old rate will apply if; (1) a written agreement was made prior to November 1, 1982, (2) the item sold was segregated from other similar property in the possession of the vendor prior to November 1, 1982, and (3) the purchaser pays at least 10% of the sales price prior to March 1, 1983.

Monthly utility bills for gas and electricity based on meter readings

If the meter is read on or after March 1, 1983, the increased local tax will be applied to the billing based on such reading only if more than ½ of the days covered by such bill are days after February 28, 1983.

Monthly telephone bills

The increased local tax will be applied to all bills dated on or after March 1, 1983. However, charges for services furnished before the date of the first of such bills will be taxable at the old rate.

Social and athletic club dues

The increased local tax will be applied to all bills covering any period which begins on or after March 1, 1983. The increased tax will not be applied to bills covering periods which begin before March 1, 1983. A quarterly or semi-annual billing mailed prior to March 1 for a period beginning on or after March 1 will be subject to the increased rate.

Admissions

Taxable admissions to an event occurring on or after March 1, 1983, are taxable at the increased rate unless the tickets were actually sold and delivered to the purchaser prior to March 1, 1983, regardless of whether the admission charge was paid before such date.

Hotel occupancy

The increased rate applies to all daily rentals on or after March 1, 1983, unless the occupant is a permanent resident (ninety days consecutive occupancy). If the rental is on other than a daily basis, the increased rate shall be applied to the charge on a prorated basis.

Pre-existing lump sum or unit price construction contracts

If such a contract was irrevocably entered into prior to October 28, 1982, the contractor will be allowed credit or refund of the increased local sales or use tax in respect to purchases if the tangible personal property is used solely in the performance of such contract.