



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The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.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

The City of Schenectady Decreases the Local Sales and Use Tax
From 3% to 2½%

Pursuant to the authority granted by section 1210 of Article 29 of the New York State Sales and Use Tax Law, the City of Schenectady passed a resolution to reduce the local sales and use tax from 3% to 2½%, effective March 1, 1984.

The combined tax rate in the City of Schenectady will be 6½% after March 1, 1984 (4% State and 2½% city). The rate of 6½% will apply to all taxable sales of tangible personal property and services (including sales of propane gas when sold in containers of less than 100 pounds) reportable on page 2 of all sales and use tax returns under Code 4212. This rate also applies to purchases for self-use and taxable sales of diesel motor fuel reportable on Schedule E under Code E4212.

The following schedules, rates and codes are to be used to report other transactions:

Schedule B - Part I

- (a) Schenectady School District outside city - The combined rate will remain at 7% on sales of telephone, telegraph and refrigeration services and nonresidential services of gas,* electricity and steam, under Code 4202.
- (b) Schenectady School District inside city - The combined rate will be 9½% on sales of telephone, telegraph and refrigeration services and nonresidential services of gas,* electricity and steam, under Code 4229.

Schedule B - Part II

- (a) Schenectady School District outside city - The sales tax rate will remain at 3% on residential services of gas,* electricity and steam, under Code L4200.
- (b) Schenectady School District inside city - The sales tax rate will be 5½% (3% s.d., 2½% city) on residential services of gas,* electricity and steam, under Code 4225.

Schedule B - Part III

The sales tax rate will be 2½% (city only) on residential energy sources of fuel oil (but not diesel motor fuel), coal and wood used for residential heating purposes only, under Code 4224.

*including propane when sold in containers of 100 pounds or more

Schedule D

Registered motor fuel distributors must report sales of motor fuel on the line for the locality in which delivery occurs, regardless of the rate 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 D4212.

Schedule U (Page 2 Supplement)

A tax of 2½% (city only) must be collected on sales of servicing, installing, repairing and maintaining manufacturing machinery, equipment, parts, tools and supplies used directly and predominantly in the production of a product for sale. The Code for the City of Schenectady on Schedule U is L4212.

SPECIAL TRANSITIONAL PROVISIONS

Where delivery or transfer of possession occurs on or after March 1, 1984, the new combined state and local sales and use tax rate applies, except in the following instances:

Layaway sales

The reduced rate will apply to all sales where the purchaser takes delivery of the merchandise on or after March 1, 1984.

Monthly utility bills for gas and electricity based on meter readings

If the meter is read on or after March 1, 1984, the decreased local tax will be applied to the billing based on such reading if more than ½ of the days covered by such bill are days after February 29, 1984.

Monthly telephone bills

The decreased local tax will be applied to all bills dated on or after March 1, 1984. 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 decreased local tax will be applied to all bills covering any period which begins on or after March 1, 1984. The decreased tax will not be applied to bills covering periods which begin before March 1, 1984. A quarterly or semiannual billing mailed prior to March 1 for a period beginning on or after March 1 will be subject to the decreased rate.

Construction contracts

Contractors purchasing materials in the city of Schenectady for use in construction contracts will pay tax at the rate of 7% on purchases made prior to March 1, 1984, and 6½% on purchases made on or after that date.

Admissions

The decreased rate of tax will be applied to taxable admissions for any event occurring on or after March 1, 1984, unless the tickets were actually sold and delivered to the purchaser prior to March 1, 1984, regardless of whether the admission charges were paid before such date.

Hotel occupancy

The decreased rate applies to all daily rentals on or after March 1, 1984, unless the occupant is a permanent resident (ninety days consecutive occupancy). If the rental is on other than a daily basis, the decreased rate shall be applied to the charge on a prorated basis.