



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The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.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

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-86 (23) S
Sales Tax
November 24, 1986

CITY OF NEWBURGH IMPOSES 1%

SALES AND USE TAX

Effective on December 1, 1986 - The City of Newburgh has enacted legislation to impose a 1% sales and use tax. As a result of this legislation, the total sales and use tax rate within the City of Newburgh will be 7¼% (4¼% state, 2% Orange County and 1% City of Newburgh) except as explained below.

The legislation as enacted includes a 1% tax on sales of residential energy sources and services. These sales must be reported on Schedule B. Non-residential sales of utility service within the City of Newburgh (although still subject to tax at 7¼%) will no longer be reported on Schedule B (see the section on Schedule B below for a description of residential energy sources and services and other details).

All transactions subject to tax at the combined state and local rate of 7¼% (including telephone, telegraph, refrigeration and non-residential energy services), must be reported on page 2 of the annual and quarterly sales tax returns, except for those transactions that have to be reported on any of the schedules. Schedules U, B, E and R are required to be filed for this locality.

The transactions reportable on page 2 of the returns should be entered on the following new entry line:

Newburgh (city) - 7¼% - 3326

All other transactions should be reported on the appropriate schedules listed below and at the rates specified for those schedules:

Schedule U

Within the City of Newburgh, compute the tax on the receipts from services of installing, repairing, maintaining or servicing certain production machinery, equipment, apparatus, parts, tools and supplies at the combined local rate of 3% (2% county, 1% city) since these transactions are not subject to New York State sales tax. (Refer to sales tax return instructions for detailed information on these transactions).

New entry line is:
Newburgh (city) - 3% - 3343

Schedule B

Part I

As of December 1, 1986, vendors making sales of telephone, telegraph, refrigeration and non-residential services of gas, electricity and steam must report sales made within the City of Newburgh on the line provided on page 2 of their sales tax return, and not in Part I of this schedule.

Part II

As of December 1, 1986, sales of residential energy sources and services in the City of Newburgh will no longer be subject to 3% local tax and will therefore no longer be reported in Part II. (See Part III below.)

Part III

As of December 1, 1986, vendors making sales of residential energy sources and services in the City of Newburgh are required to collect and report 1% local tax (City of Newburgh only) on all sales of residential energy sources and services of gas (including propane in containers of 100 lbs. or more), electricity and steam and sales of coal and fuel oil (other than diesel motor fuel) and wood used for residential heating. These sales must be reported in Part III.

New entry line is:
Newburgh (city) - 1% - 3318

Schedule E

Within the City of Newburgh, the combined tax rate will be increased to 7¼% on sales or use of diesel motor fuel.

New entry line is:
Newburgh (city) - 7¼% - E3326

Schedule R

Within the City of Newburgh, the combined tax rate will be increased to 7¼% on the retail sales or the use of motor fuel.

New entry line is:
Newburgh (city) - 7¼% - R3326

SPECIAL TRANSITIONAL PROVISIONS

Where delivery or transfer of possession occurs on or after December 1, 1986, the tax rate(s) will apply as follows:

Lay-away sales

The increased tax rate will apply unless:

- (1) a written agreement was made before August 1, 1986;
- (2) the item sold was segregated from other similar property in the possession of the vendor before August 1, 1986; and
- (3) the purchaser pays at least 10% of the sales price before December 1, 1986.

Utility bills for gas and electricity based on meter readings

In the City of Newburgh, on sales affected by the rate change, the new tax rate will be applied to bills based on meter readings where the number of days from December 1, 1986, to the date of the meter reading is more than half the total number of days covered by the bill.

Telephone bills

Telephone bills will not be affected by the rate change, since the combined tax rate imposed on telephone services in the City of Newburgh was 7¼% prior to December 1, 1986 and remains at 7¼%.

Social and athletic club dues

The increased tax rate will be applied to all bills covering periods which begin on or after December 1, 1986, regardless of the date the bill is mailed. Bills covering periods which begin before December 1, 1986, will be subject to tax at the old rate, even if the period covered ends after that date.

Admissions

The increased tax rate will be applied to taxable admissions for any event occurring on or after December 1, 1986, unless the tickets were sold and delivered to the purchaser before December 1, 1986. This is true whether or not the admissions were actually paid before the effective date.

Hotel Occupancy

The increased tax rate will be applied to all rentals on or after December 1, 1986, unless the occupant is a permanent resident (90 days consecutive occupancy). If the rental charge is not on a daily basis, the new rate will be applied to that portion of the total charge that covers the period occurring on or after December 1, 1986.

Preexisting lump sum or unit price construction contracts

If a preexisting lump sum or unit price construction contract was irrevocably entered into before October 27, 1986 (the date the local legislation was adopted) the contractor will be allowed a credit or refund of the increased local sales or use tax paid on purchases of tangible personal property used solely in the performance of this contract.