



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The state and local sales and use tax rates and/or reporting code information in this TSB-M are out-of-date.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

SCHENECTADY COUNTY IMPOSES 1/2 %  
LOCAL SALES AND USE TAX

(Rate Increase and Reporting Code Changes - City of Schenectady and  
Schenectady School District)

The purpose of this memorandum is to announce the imposition of a 1/2% sales and use tax by Schenectady County, and the resulting sales and use tax changes brought about within the City of Schenectady and the Schenectady School District. This memorandum is divided into four sections: 1) SCHENECTADY COUNTY, which addresses the effects of the increased tax in all parts of Schenectady County except the City of Schenectady, 2) CITY OF SCHENECTADY, which addresses the effects of the increased tax within the City of Schenectady only; 3) SCHENECTADY SCHOOL DISTRICT, which addresses the effects of the increased tax within the Schenectady School District both inside and outside the City of Schenectady, and; 4) TRANSITIONAL PROVISIONS, which addresses certain unique situations where transactions occur before December 1, 1988 but are not completed until after December 1, 1988, and may not be subject to the 1/2% increased tax rate.

SCHENECTADY COUNTY

Effective December 1, 1988, a 1/2% sales and use tax is imposed by Schenectady County on all taxable sales of tangible personal property and services made within its county limits. Except as otherwise discussed in this memorandum, the rate of tax to be collected on taxable sales made within Schenectady County on and after December 1, 1988, is 4 1/2% (4% New York State, 1/2% Schenectady County).

The Schenectady County sales and use tax also applies to certain transactions which are not subject to the 4% statewide sales tax. Sales of installation, repair and maintenance services performed on exempt production machinery, equipment, parts, tools and supplies used directly and predominantly in production of tangible personal property for sale, and sales of residential energy sources and services\* are sales which are subject to the county sales tax but not subject to the state sales tax. Therefore, these sales are taxable only at the 1/2% rate.

\*See TSB-M-78(7)S for information on residential energy sources and services.

For proper distribution of state and county sales tax revenues, Schenectady County is shown as a separate taxing jurisdiction on all sales and use tax returns and affected schedules which are to be filed for periods beginning on or after December 1, 1988; taxable sales made in Schenectady County on or after that date are to be reported on the Schenectady County line using the following rates and codes:

<u>Return or Schedule</u>	<u>Tax Rate</u>	<u>Code</u>
ST-810 - Quarterly Return for Part Quarterly Filers	4 1/2%	4230
ST-100 - Quarterly Return	4 1/2%	4230
ST-101 - Annual Return	4 1/2%	4230
Schedule B, Part III - used to report tax on residential energy sources and services	1/2%	4232
Schedule FR - used to report tax on motor fuel and diesel motor fuel	4 1/2%	R4230
Schedule U - used to report tax on parts, tools, and supplies used in production (subject to tax in New York City only) and tax on services to production machinery, equipment, parts, tools and supplies	1/2%	L4230

CITY OF SCHENECTADY

As a result of the imposition of the 1/2% county wide sales tax, the combined sales tax rate within the City of Schenectady which is currently at 6 1/2% (4% New York State and 2 1/2% City of Schenectady) is increased to 7% (4% New York State, 2 1/2% City of Schenectady and 1/2% Schenectady County).

The increased tax rate applies to all taxable transactions made within the City of Schenectady including those sales which are currently taxed only at the 2 1/2% city rate. Therefore, on and after December 1, 1988, sales of certain services performed on exempt production machinery, equipment, parts, tools and supplies used in production and sales of residential energy sources and services will be subject to a combined tax rate of 3% (2 1/2% City of Schenectady and 1/2% Schenectady County).

For proper distribution of state, county and city sales tax revenues collected on sales made within the City of Schenectady, the reporting codes for the City of Schenectady will be changed on all sales tax returns and schedules to be filed for periods beginning December 1, 1988. The rates and codes to be used on and after December 1, 1988, for the City of Schenectady are as follows:

<u>Return or Schedule</u>	<u>Tax Rate</u>	<u>Code</u>
ST-810, ST-100 and ST-101	7%	4213
Schedule FR	7%	R4213
Schedule U	3%	L4213
Schedule B, Part III	3%	4227

SCHENECTADY SCHOOL DISTRICT

As a result of the imposition of the 1/2% county wide sales and use tax by Schenectady County, the combined taxes imposed within the Schenectady School District on certain utility services are increased by 1/2%. For proper distribution of these revenues, vendors required to file Schedule B must use the following rates and codes on and after December 1, 1988, for Schenectady School District:

<u>Return or Schedule</u>	<u>Tax Rate</u>	<u>Code</u>
Schedule B, Part I - used to report tax on telephone, telegraph, refrigeration, and non-residential gas, electricity and steam service	7 1/2%	4204 (outside City of Schenectady)
	10%	4228 (inside City of Schenectady)
Schedule B, Part II - used to report tax on gas, electricity and steam for residential purposes	3 1/2%	L4204 (outside City of Schenectady)
	6%	4228 (inside City of Schenectady)

TRANSITIONAL PROVISIONS

The following transitional provisions apply to transactions made in both Schenectady County and the City of Schenectady. Only the provisions regarding Utility Bills Based on Meter Readings and Telephone Bills apply to the taxes imposed within the Schenectady School District.

### Lay-a-way Sales

The increased County tax applies to all lay-a-ways where the purchaser takes possession of (picks up) the merchandise on or after December 1, 1988, unless:

- o the merchandise was purchased under a written agreement that was entered into prior to August 1, 1988; and
- o the merchandise was taken out of inventory and set aside for the customer before August 1, 1988; and
- o at least 10% of the sale price was paid before December 1, 1988.

If all three of the above conditions are met, then the sale will be taxed at the pre-December 1, 1988, tax rate.

### Utility Bills Based on Meter Readings

When a bill is issued based on a meter reading that occurred before December 1, 1988, the increased tax rate does not apply to any charges based on such reading. When a meter is read on or after December 1, 1988, the increased tax rate applies to the total amount billed, based on such reading, if more than one-half the number of days included in the period covered by the bill fall after December 1, 1988. If more than one-half the number of days in the billing period fall before December 1, 1988, then the pre-December 1, 1988, tax rate applies.

### Telephone Bills

Charges for telephone service (other than charges for which a bill was previously issued) which appear on the first bill dated on or after December 1, 1988, are subject to the increased sales and use tax unless they are charges for services which were furnished prior to the date of the bill.

Any charges for services which were furnished before the date of the first bill dated on or after December 1, 1988, will be subject to the pre-December 1, 1988, tax rate, regardless of when such charges are actually billed.

### Hotel/Motel Room Bills

When charges for hotel or motel room occupancy are billed on a daily basis, then the increased tax applies to all such charges billed on or after December 1, 1988.

When charges for hotel or motel room occupancy are billed on other than a daily basis, the increased tax applies only to that portion of the bill which covers the days falling after December 1, 1988; the balance of the billing is subject to the pre-December 1, 1988, tax rate.

When the occupant of the hotel or motel room is a permanent resident (that is, occupies the room for 90 or more consecutive days), then there is to be no tax charged on the rental of the room.

### Admission Charges

The increased sales and use tax applies to taxable admissions for any event occurring on or after December 1, 1988, unless the admission tickets were actually sold and delivered to the purchaser before December 1, 1988. This is true whether or not the admission charge was paid prior to December 1, 1988.

Taxable admissions for events occurring before December 1, 1988, are subject to the pre-December 1, 1988, sales and use tax rate, as are admission tickets which are sold and delivered prior to December 1, 1988.

### Social and Athletic Club Dues

The dues paid for membership (including membership renewals) in a social or athletic club are subject to the increased sales and use tax rate, if the membership period begins on or after December 1, 1988. The increased tax rate applies regardless of when the dues are billed, or paid, or the payment terms.

The dues paid for memberships which begin before December 1, 1988, are not subject to the increased sales and use tax rate even though payment may actually be made on or after December 1, 1988. Such dues are subject to the pre-December 1, 1988, sales and use tax rate.

### Lump Sum or Unit Price Construction Contracts

If a lump sum or unit price construction contract was irrevocably entered into before September 29, 1988, (the date the Schenectady County resolution was adopted), the contractor will be allowed a credit or refund of the increased sales or use tax paid on purchases of tangible property used solely in the performance of this contract.