

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

TSB-M-90 (7) S  
Sales Tax  
August 2, 1990

THE NEW ROCHELLE CITY SCHOOL DISTRICT  
IMPOSES A 3% SALES AND USE TAX  
ON UTILITIES AND UTILITY SERVICES

As a result of local legislation enacted by the Board of Education of the City School District of New Rochelle, effective September 1, 1990, the New Rochelle City School District will impose a 3% sales and use tax on the sale or use of the following utilities and utility services within the City of New Rochelle:

- gas, electricity, refrigeration and steam, and gas, electric refrigeration and steam service of whatever nature; and
- telephony and telegraphy and telephone and telegraph service of whatever nature, except interstate and international telephony and telegraphy and telephone and telegraph service.

This 3% tax is in addition to any New York State and/or local (city and county) sales tax already imposed on these sales.

Currently, telephone, telegraph, refrigeration and non-residential gas, electricity and steam service are subject to a combined state and local sales tax of 7 1/4% within the City of New Rochelle School District (4% New York State, 1/4% HCTD, 1 1/2% Westchester County and 1 1/2% City of New Rochelle). Sales of gas, electricity and steam for residential use \* are exempt from the state sales tax and the city sales tax but are taxable at the Westchester County rate of 1 1/2%.

Beginning September 1, 1990, the sales tax on telephone, telegraph, refrigeration and non-residential gas, electricity and steam service will increase to 10 1/4% within the New Rochelle School District (4% New York State, 1/4% MCTD, 1 1/2% Westchester County, 1 1/2% New Rochelle City and 3% New Rochelle School District). Gas, electricity and steam sold for residential use within the New Rochelle School District will be subject to a 4 1/2% sales tax (1 1/2% Westchester County and 3% New Rochelle School District) on and after September 1, 1990. Sales of these services made outside the City of New Rochelle, will remain taxable at their present rates.

Vendors of these services must keep records that will enable them to separately account for sales made within the New Rochelle School District from sales made elsewhere. Two new lines will be added to the Quarterly Schedule B (ST-t00.3) for the purpose of reporting New Rochelle School District sales. For proper distribution of state, county and school district revenues, taxable sales made within the New Rochelle School District on and after September 1, 1990 are to be reported on the New Rochelle School District line using the following rates and codes:

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

<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	10 1/4%	6596
Schedule B - Part II - used to report tax on gas, electricity and steam for residential purposes.	4 1/2%	6593

SPECIAL TRANSITIONAL PROVISIONS

There are certain circumstances where services rendered or billed after September 1, 1990 will not be subject to the increased tax. Those circumstances are as follows:

Utility Bills Based on Meter Readings

When a bill is issued based on a meter reading that occurred before September 1, 1990, the increased tax rate does not apply to any charges based on such reading. When a meter is read on or after September 1, 1990, 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 on or after September 1, 1990. If more than one-half the number of days in the billing period fall before September 1, 1990, then the pre-September 1, 1990 tax rate applies.

Telephone Bills

Charges for telephone service which appear on the first bill dated on or after September 1, 1990 (other than charges for which a bill as previously issued) are subject to the increased sales and use tax rate unless they are charges for services furnished prior to the date of the bill.

Any charges for service furnished before the date of the first bill dated on or after September 1, 1990 will be subject to the pre-September 1, 1990 tax rate regardless of when such charges are actually billed.