



Important Information for Vendors Making Sales of Tangible Personal Property or Taxable Services to Qualified Empire Zone Enterprises (QEZE)s

Chapter 57 of the Laws of 2009 (Chapter 57) amended certain provisions of the Tax Law and the General Municipal Law affecting the Empire Zones Program. These changes affect business entities claiming Qualified Empire Zone Enterprise (QEZE) sales tax benefits under Tax Law Articles 28 and 29. The purpose of this notice is to explain how these changes affect vendors making sales to QEZE)s.

(1) Repeal of section 1115(z) upfront QEZE exemption

Pursuant to Chapter 57, effective September 1, 2009, the exemption provided in section 1115(z) of the Tax Law is repealed, and new section 1119(d) of the Tax Law becomes effective. New section 1119(d) provides for a refund or credit of tax paid on purchases that meet the qualifications for the exemption from tax previously allowed under section 1115(z).

As a result, effective September 1, 2009, there will be **no upfront exemption from tax** for any purchases made by a QEZE. As of that date, Form ST-121.6, *Qualified Empire Zone Enterprise (QEZE) Exempt Purchase Certificate*, is invalid. Any forms on file with sellers of tangible personal property or services are cancelled and no longer serve to provide an exemption from tax. However, previously issued forms should be retained as part of a seller's records to substantiate any exempt sales made before September 1, 2009.

Businesses currently certified as QEZE)s may continue to claim an exemption from tax using Form ST-121.6 **only through August 31, 2009**. As of September 1, 2009, vendors that have been issued Form ST-121.6 as a blanket exemption certificate must begin charging full New York State and local sales taxes on all sales to QEZE)s.

(2) Schedules Q, B-ATT and T-ATT are discontinued

All sales to QEZE)s are fully taxable as of September 1, 2009. Starting with the September - November 2009 sales tax quarter, **vendors should no longer file any of the following schedules**, which will be discontinued:

- Schedule Q, *Report of Sales to a Qualified Empire Zone Enterprise (QEZE) Eligible for Exemption*;
- Schedule B-ATT, *Consumer's Utility and Fuel Taxes for Nonresidential Gas, Electricity, Refrigeration, and Steam Sold to a Qualified Empire Zone Enterprise (QEZE)*; or

- Schedule T-ATT, *Consumer's Utility Tax for Telephone Services, Telephone Answering Services, and Telegraph Services Sold to a Qualified Empire Zone Enterprise (QEZE)*.

(3) Vendors that are also QEZEs

Vendors that are also QEZEs may be eligible for the refund or credit provided by new section 1119(d) of the Tax Law. See TSB-M-09(12)S, *Changes to Qualified Empire Zone Enterprise (QEZE) Program (Articles 28 and 29) - Effective September 1, 2009*, for more information.

NOTE: An Important Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.