

STATE OF NEW YORK

8479

IN SENATE

March 4, 2022

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law, the state finance law, and the general business law, in relation to enacting the "gas tax holiday act of 2022"

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. Short title. This act shall be known and may be cited as
2 the "gas tax holiday act of 2022".

3 § 2. The tax law is amended by adding a new section 45 to read as
4 follows:

5 § 45. Fuel tax holiday. (a) Definitions. For purposes of this section:

6 (1) "Applicable period" shall mean from the first of the month next
7 succeeding the effective date of this section until December thirty-
8 first, two thousand twenty-two.

9 (2) "Diesel motor fuel" and "motor fuel" shall have the same meaning
10 as section two hundred eighty-two of this chapter.

11 (3) "Filling station" shall have the same meaning as section two
12 hundred eighty-two of this chapter.

13 (4) "Retail sale" and "sold at retail" shall mean any sale of motor
14 fuel or diesel motor fuel at a filling station to a person for use in a
15 motor vehicle.

16 (5) "Retail seller" shall mean any person who sells motor fuel or
17 diesel motor fuel at retail.

18 (6) "Sale" shall have the same meaning as section two hundred eighty-
19 two of this chapter.

20 (b) Exemption from taxation. Notwithstanding any other provision of
21 law, rule or regulation to the contrary, the taxes imposed on retail
22 sales of motor fuel and diesel motor fuel made during the applicable
23 period shall be exempt from the taxes imposed by articles twelve-A,
24 thirteen-A, and twenty-eight of this chapter. If the retail seller is
25 located within a municipality that has elected to eliminate the tax
26 imposed pursuant to article twenty-nine of this chapter, such taxes

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 shall not be imposed on the retail sale of motor fuel or diesel motor
2 fuel during the applicable period.

3 (c) Price reduction. During the applicable period, each retail seller
4 shall reduce the price per gallon of motor fuel and diesel motor fuel
5 offered for sale by the amount of the taxes that the retail seller
6 prepaid on the gallon of motor fuel and diesel motor fuel and the amount
7 of tax in excess of the prepaid amount that would have been collected
8 from the consumer if the sale of the motor fuel or diesel motor fuel had
9 not been exempt from tax pursuant to subdivision (b) of this section.

10 (d) Advertising. Notwithstanding any other provision of law to the
11 contrary, a retail seller may advertise that the motor fuel and/or
12 diesel motor fuel is being or will be sold without the state taxes. Such
13 advertisement may commence no earlier than three days before the appli-
14 cable period and shall end by the end of the applicable period.

15 (e) Refunds and credits. (1) Notwithstanding any other provision of
16 law to the contrary, the retail seller shall be entitled to receive a
17 credit against the taxes due pursuant to article twenty-eight of this
18 chapter for the amount of tax that the retail seller prepaid pursuant to
19 articles twelve-A, thirteen-A, twenty-eight and, if applicable, twenty-
20 nine of this chapter. If the retail seller is located within a munici-
21 pality that has elected to eliminate the tax imposed pursuant to article
22 twenty-nine of this chapter, the retail seller shall be entitled to
23 claim a credit against the taxes due pursuant to article twenty-eight of
24 this chapter for such prepaid taxes. The amount of credit shall equal
25 the amount of tax that was prepaid pursuant to articles twelve-A, thir-
26 teen-A, twenty-eight and, if applicable, twenty-nine of this chapter for
27 each gallon of motor fuel and diesel motor fuel sold at retail during
28 the applicable period. Such credit shall not be allowed for sales that
29 would have otherwise been exempt from tax.

30 (2) A retail seller may claim the credit prescribed in paragraph one
31 of this subdivision when the retail seller files its return of tax for
32 the sales of motor fuel and diesel motor fuel for the period that
33 includes the applicable period. Notwithstanding the foregoing, if a
34 retail seller is required to file its return more than thirty days after
35 the close of the applicable period defined in paragraph one of subdivi-
36 sion (a) of this section, such retailer shall be authorized to file an
37 amendment to its most recently filed return to claim such credit. No
38 credit may be claimed for the taxes prepaid pursuant to article
39 twelve-A, thirteen-A, twenty-eight or, if applicable, twenty-nine of
40 this chapter pursuant to this section if the claim would have been
41 barred pursuant to the article that required prepayment of such taxes.
42 No interest shall be paid on any claims for credit made pursuant to this
43 section.

44 § 3. Subdivision 3 of section 89-b of the state finance law is amended
45 by adding a new paragraph (g) to read as follows:

46 (g) Within forty-five days after the applicable period as defined by
47 subdivision (a) of section forty-five of the tax law, the comptroller,
48 in consultation with the director of the division of the budget, shall
49 transfer from the general fund to the special obligation reserve and
50 payment account an amount equal to the amount that would have otherwise
51 been deposited in the special obligation reserve and payment account
52 pursuant to this section if the exemption defined in subdivision (b) of
53 section forty-five of the tax law had not been authorized.

54 § 4. Section 392-i of the general business law, as amended by section
55 5 of part M-1 of chapter 109 of the laws of 2006, is amended to read as
56 follows:

§ 392-i. Prices reduced to reflect change in sales tax computation. Every person engaged in the retail sale of motor fuel and/or diesel motor fuel or a distributor of such fuels, as defined in article twelve-A of the tax law, shall reduce the price such person charges for motor fuel and/or diesel motor fuel in an amount equal to any reduction in taxes prepaid by the distributor, credit for the amount of taxes prepaid by the retail seller allowable pursuant to section forty-five of the tax law, exemption from taxation pursuant to section forty-five of the tax law to the extent that the tax that would have been otherwise due exceeds the amount of tax prepaid, or paid by retail customers resulting from computing sales and compensating use and other taxes at a cents per gallon rate pursuant to the provisions of paragraph two of subdivision (e) and subdivision (m) of section eleven hundred eleven of the tax law.

§ 5. Paragraph 1 of subdivision (n) of section 1817 of the tax law, as amended by section 30 of subpart I of part V-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(1) Every person engaged in the retail sale of motor fuel and/or diesel motor fuel or a distributor of such fuels, as defined in article twelve-A of this chapter, shall comply with the provisions of section three hundred ninety-two-i of the general business law by reducing the prices charged for motor fuel and diesel motor fuel in an amount equal to any reduction in taxes prepaid by the distributor, credit for the amount of taxes prepaid by the retail seller allowable pursuant to section forty-five of this chapter, exemption from taxation pursuant to section forty-five of this chapter to the extent that the tax that would have been otherwise due exceeds the amount of tax prepaid, or imposed on retail customers resulting from computing sales and compensating use and other taxes at a cents per gallon rate pursuant to the provisions of paragraph two of subdivision (e) and subdivision (m) of section one thousand one hundred eleven of this chapter.

§ 6. Notwithstanding any law to the contrary, a municipality may make the election to eliminate all taxes on motor fuel and diesel motor fuel pursuant to sections eleven hundred seven and eleven hundred eight of the tax law or article twenty-nine of the tax law for the applicable period, as defined by subdivision (a) of section forty-five of the tax law, as added by section two of this act, by local law, ordinance or resolution, if such municipality mails, by certified or registered mail, a certified copy of such local law, ordinance or resolution to the commissioner of taxation and finance at his or her office in Albany no later than the Wednesday immediately preceding the first day of the applicable period.

§ 7. The commissioner of taxation and finance shall, on an emergency basis, promulgate and/or amend any rules and regulations necessary to provide for the tax free sales of motor fuel and diesel motor fuel and refunds of prepaid tax to retail sellers.

§ 8. This act shall take effect immediately.