

S. 7145

A. 9999

S E N A T E - A S S E M B L Y

May 1, 2012

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IN SENATE -- Introduced by Sen. LAVALLE -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

IN ASSEMBLY -- Introduced by M. of A. THIELE -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to exempting fuel used in vessels used directly and predominantly in a business providing sport fishing opportunities for hire to the general public from the tax on petroleum businesses and from sales and compensating use taxes

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1     Section 1.     Section 300 of the tax law is amended by adding a new  
2     subdivision (j-1) to read as follows:  
3     (J-1) "COMMERCIAL SPORT FISHING VESSEL" MEANS A VESSEL OWNED BY A  
4     PERSON DOMICILED IN THIS STATE, WHO HAS BEEN ISSUED AND HOLDS A MARINE  
5     AND COASTAL DISTRICT PARTY AND CHARTER BOAT LICENSE PURSUANT TO SECTION  
6     13-0336 OF THE ENVIRONMENTAL CONSERVATION LAW.  
7     S 2. Paragraph 2 of subdivision (b) of section 301-a of the tax law,  
8     as added by section 154 of part A of chapter 389 of the laws of 1997, is  
9     amended to read as follows:  
10    (2) Motor fuel brought into this state in the fuel tank connecting  
11    with the engine of a vessel propelled by the use of such motor fuel  
12    shall be deemed to constitute a taxable use of motor fuel for the  
13    purposes of this subdivision to the extent that the fuel is consumed in  
14    the operation of the vessel in this state. Provided, however, that this  
15    paragraph shall not apply to (i) a recreational motor boat or (ii)  
16    subsequent to August thirty-first, nineteen hundred ninety-four, a  
17    commercial fishing vessel (as defined in subdivision (j) of section  
18    three hundred of this article) if the motor fuel imported and consumed  
19    in this state is used to operate such vessel while it is engaged in the  
20    harvesting of fish for sale OR (III) A COMMERCIAL SPORT FISHING VESSEL,  
21    IF SUCH VESSEL PROVIDES ITS OWNER WITH AT LEAST FIFTY PERCENT OF HIS OR  
22    HER TOTAL ANNUAL INCOME. Provided, further, that tax liability for

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

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gallongage that a vessel consumes shall be the tax liability with respect to the positive difference between the gallongage consumed in this state during the reporting period and the gallongage purchased in this state (upon which the tax imposed by this section has been paid) during such period. A credit or refund shall be available for any excess of tax liability for gallongage purchased in this state during the period over tax liability on gallongage so consumed in this state during such period, which excess shall be presumed to have been used outside this state.

S 3. Subparagraph (B) of paragraph 1 of subdivision (c) of section 301-a of the tax law, as amended by section 19 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

(B) Highway diesel motor fuel brought into this state in the fuel tank connecting with the engine of a vessel propelled by the use of such diesel motor fuel shall be deemed to constitute a taxable use of diesel motor fuel for the purpose of this paragraph to the extent of the fuel that is consumed in the operation of the vessel in this state. Provided, however, this paragraph shall not apply to (i) a recreational motor boat or (ii) a commercial fishing vessel (as defined in subdivision (j) of section three hundred of this article) if the highway diesel motor fuel imported into and consumed in this state is used to operate such commercial fishing vessel while it is engaged in the harvesting of fish for sale OR (III) A COMMERCIAL SPORT FISHING VESSEL, IF SUCH VESSEL PROVIDES ITS OWNER WITH AT LEAST FIFTY PERCENT OF HIS OR HER TOTAL ANNUAL INCOME. Provided, further, that tax liability for gallongage that a vessel consumes in this state shall be the tax liability with respect to the positive difference between the gallongage consumed in this state during the reporting period and the gallongage purchased in this state (upon which the tax imposed by this section has been paid) during such period. A credit or refund shall be available for any excess of tax liability for gallongage purchased in this state during the period over tax liability on gallongage so consumed in this state during such period, which excess shall be presumed to have been used outside this state.

S 4. The opening paragraph of section 301-c of the tax law, as amended by section 5 of part W-1 of chapter 109 of the laws of 2006, is amended to read as follows:

A subsequent purchaser shall be eligible for reimbursement of tax with respect to the following gallongage, subsequently sold by such purchaser in accordance with subdivision (a), (b), (e), (h), (j), (k), (n) or (o) of this section or used by such purchaser in accordance with subdivision (c), (d), (f), (g), (G-1), (i), (l) or (m) of this section, which gallongage has been included in the measure of the tax imposed by this article on a petroleum business:

S 5. The opening paragraph of section 301-c of the tax law, as amended by chapter 468 of the laws of 2000, is amended to read as follows:

A subsequent purchaser shall be eligible for reimbursement of tax with respect to the following gallongage, subsequently sold by such purchaser in accordance with subdivision (a), (b), (e), (h), (j) or (k) of this section or used by such purchaser in accordance with subdivision (c), (d), (f), (g), (G-1), (i), (l) or (m) of this section, which gallongage has been included in the measure of the tax imposed by this article on a petroleum business:

S 6. Section 301-c of the tax law is amended by adding a new subdivision (g-1) to read as follows:

(G-1) DIESEL MOTOR FUEL AND MOTOR FUEL USED IN THE OPERATION OF COMMERCIAL SPORT FISHING VESSELS. DIESEL MOTOR FUEL OR MOTOR FUEL PURCHASED IN THIS STATE BY THE OPERATOR OF A COMMERCIAL SPORT FISHING

1 VESSEL AT RETAIL WHEREIN SUCH DIESEL MOTOR FUEL OR SUCH MOTOR FUEL IS  
2 DELIVERED BY A PUMP EQUIPPED WITH A HOSE DIRECTLY INTO THE FUEL TANK OF  
3 A COMMERCIAL SPORT FISHING VESSEL TO BE USED AS FUEL IN THE OPERATION OF  
4 SUCH VESSEL FOR THE PURPOSE OF PROVIDING SPORT FISHING OPPORTUNITIES FOR  
5 HIRE TO THE GENERAL PUBLIC; BUT ONLY WHERE (1) THE TAX IMPOSED PURSUANT  
6 TO THIS ARTICLE HAS BEEN PAID WITH RESPECT TO SUCH DIESEL MOTOR FUEL OR  
7 SUCH MOTOR FUEL AND THE ENTIRE AMOUNT OF SUCH TAX HAS BEEN ABSORBED BY  
8 SUCH PURCHASER, (2) SUCH PURCHASER POSSESSES DOCUMENTARY PROOF SATISFAC-  
9 TORY TO THE COMMISSIONER EVIDENCING THE ABSORPTION BY IT OF THE ENTIRE  
10 AMOUNT OF THE TAX IMPOSED PURSUANT TO THIS ARTICLE, AND (3) THE VESSEL  
11 PROVIDES ITS OWNER WITH AT LEAST FIFTY PERCENT OF HIS OR HER TOTAL ANNU-  
12 AL INCOME. PROVIDED, HOWEVER, THAT THE COMMISSIONER SHALL REQUIRE SUCH  
13 DOCUMENTARY PROOF TO QUALIFY FOR ANY REIMBURSEMENT OF TAX PROVIDED BY  
14 THIS SECTION AS THE COMMISSIONER DEEMS APPROPRIATE.

15 S 7. Subdivision (a) of section 1115 of the tax law is amended by  
16 adding a new paragraph 24-a to read as follows:

17 (24-A) FUEL USED IN VESSELS USED DIRECTLY AND PREDOMINANTLY IN A BUSI-  
18 NESS PROVIDING SPORT FISHING OPPORTUNITIES FOR HIRE TO THE GENERAL  
19 PUBLIC; PROVIDED THAT SUCH VESSEL PROVIDES ITS OWNER WITH AT LEAST FIFTY  
20 PERCENT OF HIS OR HER TOTAL ANNUAL INCOME.

21 S 8. Subparagraph (i) of paragraph 1 of subdivision (a) of section  
22 1210 of the tax law, as amended by section 3 of part GG of chapter 57 of  
23 the laws of 2010, is amended to read as follows:

24 (i) Any local law, ordinance or resolution enacted by any city of less  
25 than one million or by any county or school district, imposing the taxes  
26 authorized by this subdivision, shall, notwithstanding any provision of  
27 law to the contrary, exclude from the operation of such local taxes all  
28 sales of tangible personal property for use or consumption directly and  
29 predominantly in the production of tangible personal property, gas,  
30 electricity, refrigeration or steam, for sale, by manufacturing, proc-  
31 essing, generating, assembly, refining, mining or extracting; and all  
32 sales of tangible personal property for use or consumption predominantly  
33 either in the production of tangible personal property, for sale, by  
34 farming or in a commercial horse boarding operation, or in both; and,  
35 unless such city, county or school district elects otherwise, shall omit  
36 THE FUEL USED IN COMMERCIAL SPORT FISHING VESSELS EXEMPTION PROVIDED FOR  
37 IN PARAGRAPH TWENTY-FOUR-A OF SUBDIVISION (A), the provision for credit  
38 or refund contained in clause six of subdivision (a) or subdivision (d)  
39 of section eleven hundred nineteen of this chapter.

40 S 9. Section 1210 of the tax law is amended by adding a new subdivi-  
41 sion (p) to read as follows:

42 (P) NOTWITHSTANDING ANY OTHER PROVISION OF STATE OR LOCAL LAW, ORDI-  
43 NANCE OR RESOLUTION TO THE CONTRARY:

44 (1) ANY CITY HAVING A POPULATION OF ONE MILLION OR MORE IN WHICH THE  
45 TAXES IMPOSED BY SECTION ELEVEN HUNDRED SEVEN OF THIS CHAPTER ARE IN  
46 EFFECT, ACTING THROUGH ITS LOCAL LEGISLATIVE BODY, IS HEREBY AUTHORIZED  
47 AND EMPOWERED TO ELECT TO PROVIDE THE SAME EXEMPTIONS FROM SUCH TAXES AS  
48 THE FUEL USED IN COMMERCIAL SPORT FISHING VESSELS EXEMPTION FROM STATE  
49 SALES AND COMPENSATING USE TAXES DESCRIBED IN PARAGRAPH TWENTY-FOUR-A OF  
50 SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER BY  
51 ENACTING A RESOLUTION IN THE FORM SET FORTH IN PARAGRAPH TWO OF THIS  
52 SUBDIVISION; WHEREUPON, UPON COMPLIANCE WITH THE PROVISIONS OF SUBDIVI-  
53 SIONS (D) AND (E) OF THIS SECTION, SUCH ENACTMENT OF SUCH RESOLUTION  
54 SHALL BE DEEMED TO BE AN AMENDMENT TO SUCH SECTION ELEVEN HUNDRED SEVEN  
55 AND SUCH SECTION ELEVEN HUNDRED SEVEN SHALL BE DEEMED TO INCORPORATE

1 SUCH EXEMPTIONS AS IF THEY HAD BEEN DULY ENACTED BY THE STATE LEGISLA-  
2 TURE AND APPROVED BY THE GOVERNOR.

3 (2) FORM OF RESOLUTION: BE IT ENACTED BY THE (INSERT PROPER TITLE OF  
4 LOCAL LEGISLATIVE BODY) AS FOLLOWS:

5 SECTION ONE. RECEIPTS FROM SALES OF AND CONSIDERATION GIVEN OR  
6 CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, PROPERTY AND SERVICES  
7 EXEMPT FROM STATE SALES AND COMPENSATING USE TAXES PURSUANT TO PARAGRAPH  
8 TWENTY-FOUR-A OF SUBDIVISION (A) OF SECTION 1115 OF THE TAX LAW SHALL  
9 ALSO BE EXEMPT FROM SALES AND COMPENSATING USE TAXES IMPOSED IN THIS  
10 JURISDICTION.

11 SECTION TWO. THIS RESOLUTION SHALL TAKE EFFECT JUNE 1, (INSERT THE  
12 YEAR, BUT NOT EARLIER THAN THE YEAR 2010) AND SHALL APPLY TO SALES MADE,  
13 SERVICES RENDERED AND USES OCCURRING ON AND AFTER THAT DATE IN ACCORD-  
14 ANCE WITH THE APPLICABLE TRANSITIONAL PROVISIONS IN SECTIONS 1106, 1216  
15 AND 1217 OF THE NEW YORK TAX LAW.

16 S 10. This act shall take effect on the first day of a sales tax  
17 quarterly period, as described in subdivision (b) of section 1136 of the  
18 tax law, next commencing at least ninety days after this act shall have  
19 become a law, provided, however, that sections one, two, four, five and  
20 six of this act shall take effect June 1, 2012; provided, further, that  
21 the amendments to the opening paragraph of section 301-c of the tax law,  
22 made by section four of this act shall not affect the expiration and  
23 repeal of such paragraph pursuant to section 19 of part W-1 of chapter  
24 109 of the laws of 2006, as amended, and shall expire and be deemed  
25 repealed therewith, when upon such date the provisions of section five  
26 of this act shall take effect.