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I N A S S E M B L Y

February 12, 2014

Introduced by M. of A. SCHIMMINGER, SCARBOROUGH, WALTER, RAIA, JOHNS --  
Multi-Sponsored by -- M. of A. BARCLAY, CERETTO, CORWIN, GARBARINO,  
HAWLEY, KOLB, PEOPLES-STOKES, RA, SCHIMEL, THIELE -- read once and  
referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to eliminating sales tax on  
transportation services; and to repeal certain provisions of such law  
relating thereto

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

1 Section 1. Paragraph 34 of subdivision (b) of section 1101 of the tax  
2 law is REPEALED.  
3 S 2. Paragraph 10 of subdivision (c) of section 1105 of the tax law is  
4 REPEALED.  
5 S 3. Subdivision (1) of section 1106 of the tax law is REPEALED.  
6 S 4. Subdivision (o) of section 1111 of the tax law is REPEALED.  
7 S 5. Section 1213 of the tax law, as amended by section 2 of part WW  
8 of chapter 57 of the laws of 2010, is amended to read as follows:  
9 S 1213. Deliveries outside the jurisdiction where sale is made. Where  
10 a sale of tangible personal property or services, including prepaid  
11 telephone calling services, but not including other services described  
12 in subdivision (b) of section eleven hundred five of this chapter,  
13 including an agreement therefor, is made in any city, county or school  
14 district, but the property sold, the property upon which the services  
15 were performed or prepaid telephone calling or other service is or will  
16 be delivered to the purchaser elsewhere, such sale shall not be subject  
17 to tax by such city, county or school district. However, if delivery  
18 occurs or will occur in a city, county or school district imposing a tax  
19 on the sale or use of such property, prepaid telephone calling or other  
20 services, the vendor shall be required to collect from the purchaser, as  
21 provided in section twelve hundred fifty-four of this article, the  
22 aggregate sales or compensating use taxes imposed by the city, if any,  
23 county and school district in which delivery occurs or will occur, for  
24 distribution by the commissioner to such taxing jurisdiction or juris-  
25 dictions. For the purposes of this section delivery shall be deemed to

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

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1 include transfer of possession to the purchaser and the receiving of the  
2 property or of the service, including prepaid telephone calling service,  
3 by the purchaser. [Notwithstanding the foregoing, where a transportation  
4 service described in paragraph ten of subdivision (c) of section eleven  
5 hundred five of this chapter begins in one jurisdiction but ends in  
6 another jurisdiction, any tax imposed pursuant to the authority of this  
7 article shall be due the jurisdiction or jurisdictions where the service  
8 commenced.]

9 S 6. This act shall take effect immediately and shall apply to the  
10 quarterly period, as described in subdivision (b) of section 1136 of the  
11 tax law, next commencing September 1, 2015 and shall apply in accordance  
12 with the applicable transitional provisions in sections 1106 and 1217 of  
13 the tax law.