

5073

2015-2016 Regular Sessions

I N A S S E M B L Y

February 12, 2015

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

AN ACT to amend the tax law, in relation to eliminating state sales and
compensating use taxes on bio diesel products produced, processed
and/or distributed in New York state and authorizing localities to
eliminate such taxes at the local level

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

1 Section 1. Subdivision 1-a of section 289-c of the tax law is amended
2 by adding a new paragraph (e) to read as follows:
3 (E) (I) ANY PERSON MAY EXCLUDE THE AMOUNT OF THE TAX OR TAXES IMPOSED
4 BY THIS ARTICLE ON BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR
5 DISTRIBUTED IN NEW YORK STATE FROM THE SELLING PRICE THEREOF IF SUCH BIO
6 DIESEL PRODUCT IS DELIVERED TO A FILLING STATION AND PLACED IN A STORAGE
7 TANK OF SUCH FILLING STATION FOR SUCH BIO DIESEL PRODUCT TO BE DISPENSED
8 DIRECTLY INTO A MOTOR VEHICLE FOR USE IN THE OPERATION OF SUCH VEHICLE.
9 ANY PERSON MAKING A SALE OF SUCH BIO DIESEL PRODUCT UNDER THE CIRCUM-
10 STANCES DESCRIBED HEREIN, WHEREBY THE TAX OR TAXES OTHERWISE IMPOSED BY
11 THIS ARTICLE HAVE NOT BEEN PASSED THROUGH TO THE PURCHASER, SHALL BE
12 ALLOWED A REFUND OR CREDIT OF THE TAXES IMPOSED BY THIS ARTICLE IN THE
13 AMOUNT OF SUCH TAX OR TAXES PAID BY SUCH PERSON ON SUCH BIO DIESEL PROD-
14 UCT BEING SOLD OR INCLUDED IN THE PRICE PAID BY SUCH PERSON FOR SUCH
15 FUEL. CLAIMS FOR REFUNDS OR CREDITS SHALL BE PRESENTED, AND REFUNDS OR
16 CREDITS SHALL BE MADE, ONLY AS AUTHORIZED BY THE COMMISSIONER UNDER SUCH
17 RULES AND REGULATIONS AS THE COMMISSIONER MAY PRESCRIBE.
18 (II) ANY PERSON MAY EXCLUDE THE AMOUNT OF THE TAX OR TAXES IMPOSED BY
19 THIS ARTICLE FROM THE SELLING PRICE WITH RESPECT TO ANY SALE OF SUCH BIO
20 DIESEL PRODUCT. ANY PERSON MAKING A SALE OF SUCH BIO DIESEL PRODUCT UPON
21 WHICH SUCH PERSON DOES NOT PASS ON MORE THAN EIGHTY PERCENT OF THE TAXES
22 OTHERWISE IMPOSED BY THIS ARTICLE, WHERE SUCH PERSON HAS PURCHASED SUCH
23 BIO DIESEL PRODUCT WITH THE ENTIRE AMOUNT OF THE TAXES IMPOSED BY THIS

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

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ARTICLE INCLUDED IN SUCH PERSON'S PURCHASE PRICE, SHALL BE ENTITLED TO A REFUND OR CREDIT EQUAL TO THE AMOUNT OF THE TAX OR TAXES PAID UNDER THIS ARTICLE ON SUCH BIO DIESEL PRODUCT IN EXCESS OF EIGHTY PERCENT OF THE TAX OR TAXES IMPOSED BY THIS ARTICLE ON DIESEL MOTOR FUEL. CLAIMS FOR REFUNDS OR CREDITS SHALL BE PRESENTED, AND REFUNDS OR CREDITS SHALL BE MADE, ONLY AS AUTHORIZED BY THE COMMISSIONER UNDER SUCH RULES AND REGULATIONS AS THE COMMISSIONER MAY PRESCRIBE.

(III) ANY PERSON MAY EXCLUDE THE AMOUNT OF THE TAX OR TAXES IMPOSED BY THIS ARTICLE ON SUCH BIO DIESEL PRODUCT FROM THE SELLING PRICE THEREOF. ANY PERSON MAKING A SALE OF SUCH BIO DIESEL PRODUCT, WHEREBY THE TAX OR TAXES OTHERWISE IMPOSED BY THIS ARTICLE HAVE NOT BEEN PASSED THROUGH TO THE PURCHASER, SHALL BE ALLOWED A REFUND OR CREDIT OF ANY TAXES IMPOSED BY THIS ARTICLE IN THE AMOUNT OF SUCH TAX OR TAXES PAID BY SUCH PERSON ON SUCH BIO DIESEL PRODUCT BEING SOLD OR INCLUDED IN THE PRICE PAID BY SUCH PERSON FOR SUCH BIO DIESEL PRODUCT. CLAIMS FOR REFUNDS OR CREDITS SHALL BE PRESENTED, AND REFUNDS OR CREDITS SHALL BE MADE, ONLY AS AUTHORIZED BY THE COMMISSIONER UNDER SUCH RULES AND REGULATIONS AS THE COMMISSIONER MAY PRESCRIBE.

S 2. Section 300 of the tax law is amended by adding a new subdivision (t) to read as follows:

(T) THE TERM "BIO DIESEL" SHALL MEAN A DIESEL MOTOR FUEL SUBSTITUTE PRODUCED FROM NONPETROLEUM RENEWABLE RESOURCES THAT MEETS THE REGISTRATION REQUIREMENTS FOR FUELS AND FUEL ADDITIVES ESTABLISHED BY THE ENVIRONMENTAL PROTECTION AGENCY UNDER SECTION 211 OF THE CLEAN AIR ACT (42 U.S.C. 7545) AND THAT MEETS THE AMERICAN SOCIETY FOR TESTING AND MATERIALS D6751-02A STANDARD SPECIFICATION FOR BIODIESEL FUEL (B100) BLEND STOCK FOR DISTILLATE FUELS THAT HAS BEEN PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE.

S 3. Subdivision (a) of section 301-b of the tax law is amended by adding a new paragraph 9 to read as follows:

(9)(I) BIO DIESEL EXEMPTION. BIO DIESEL PRODUCTS IMPORTED OR CAUSED TO BE IMPORTED INTO THIS STATE OR PRODUCED, REFINED, MANUFACTURED OR COMPOUNDED IN THIS STATE BY A PETROLEUM BUSINESS REGISTERED UNDER ARTICLE TWELVE-A OF THIS CHAPTER, AS A DISTRIBUTOR OF DIESEL MOTOR FUEL, AND THEN SOLD BY SUCH PETROLEUM BUSINESS.

(II) CALCULATION OF EXEMPTION. THE AMOUNT OF THE EXEMPTION UNDER THIS PARAGRAPH SHALL BE DETERMINED BY THE APPLICABLE TAXES OTHERWISE IMPOSED BY THIS ARTICLE ON SUCH FUEL.

S 4. Section 301-c of the tax law is amended by adding a new subdivision (q) to read as follows:

(Q) REIMBURSEMENT FOR BIO DIESEL PRODUCTS. (1) BIO DIESEL PRODUCTS PURCHASED IN THIS STATE AND SOLD BY SUCH PURCHASER IN THIS STATE WHERE (I) THE TAX IMPOSED PURSUANT TO THIS ARTICLE HAS BEEN PAID WITH RESPECT TO SUCH BIO DIESEL PRODUCTS AND THE ENTIRE AMOUNT OF SUCH TAX HAS BEEN ABSORBED BY SUCH PURCHASER, AND (II) SUCH PURCHASER POSSESSES DOCUMENTARY PROOF SATISFACTORY TO THE COMMISSIONER EVIDENCING THE ABSORPTION BY IT OF THE ENTIRE AMOUNT OF THE TAX IMPOSED PURSUANT TO THIS ARTICLE. PROVIDED, THAT THE COMMISSIONER SHALL REQUIRE SUCH DOCUMENTARY PROOF TO QUALIFY FOR ANY REIMBURSEMENT PROVIDED HEREUNDER AS THE COMMISSIONER DEEMS APPROPRIATE.

(2) CALCULATION OF REIMBURSEMENT. THE AMOUNT OF THE REIMBURSEMENT UNDER THIS SUBDIVISION SHALL BE DETERMINED BY THE AMOUNT OF THE APPLICABLE TAXES OTHERWISE IMPOSED BY THIS ARTICLE ON SUCH FUEL.

S 5. Subdivision (b) of section 1101 of the tax law is amended by adding a new paragraph 39 to read as follows:

(39) THE TERM "BIO DIESEL" SHALL MEAN A DIESEL MOTOR FUEL SUBSTITUTE PRODUCED FROM NONPETROLEUM RENEWABLE RESOURCES THAT MEETS THE REGISTRATION REQUIREMENTS FOR FUELS AND FUEL ADDITIVES ESTABLISHED BY THE ENVIRONMENTAL PROTECTION AGENCY UNDER SECTION 211 OF THE CLEAN AIR ACT (42 U.S.C. 7545) AND THAT MEETS THE AMERICAN SOCIETY FOR TESTING AND MATERIALS D6751-02A STANDARD SPECIFICATION FOR BIODIESEL FUEL (B100) BLEND STOCK FOR DISTILLATE FUELS THAT HAS BEEN PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE.

S 6. Subdivision (b) of section 1107 of the tax law is amended by adding a new clause 12 to read as follows:

(12) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE EXEMPTION PROVIDED IN PARAGRAPH FORTY-FOUR OF SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE RELATING TO BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE SHALL BE APPLICABLE PURSUANT TO A LOCAL LAW, ORDINANCE OR RESOLUTION ADOPTED BY A CITY SUBJECT TO THE PROVISIONS OF THIS SECTION. SUCH CITY IS EMPOWERED TO ADOPT OR REPEAL SUCH A LOCAL LAW, ORDINANCE OR RESOLUTION. SUCH ADOPTION OR REPEAL SHALL ALSO BE DEEMED TO AMEND ANY LOCAL LAW, ORDINANCE OR RESOLUTION ENACTED BY SUCH A CITY IMPOSING TAXES PURSUANT TO THE AUTHORITY OF SUBDIVISION (A) OF SECTION TWELVE HUNDRED TEN OF THIS CHAPTER.

S 7. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE.

S 8. Paragraph 1 of subdivision (a) of section 1210 of the tax law is amended by adding a new closing paragraph to read as follows:

ANY LOCAL LAW, ORDINANCE OR RESOLUTION ENACTED BY ANY CITY, COUNTY OR SCHOOL DISTRICT, IMPOSING THE TAXES AUTHORIZED BY THIS SUBDIVISION, SHALL OMIT THE BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE EXEMPTION PROVIDED FOR IN PARAGRAPH FORTY-FOUR OF SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, UNLESS SUCH CITY, COUNTY OR SCHOOL DISTRICT ELECTS OTHERWISE; PROVIDED THAT IF SUCH A CITY HAVING A POPULATION OF ONE MILLION OR MORE ENACTS THE RESOLUTION DESCRIBED IN SUBDIVISION (Q) OF THIS SECTION OR REPEALS SUCH RESOLUTION, SUCH RESOLUTION OR REPEAL SHALL ALSO BE DEEMED TO AMEND ANY LOCAL LAW, ORDINANCE OR RESOLUTION ENACTED BY SUCH A CITY IMPOSING SUCH TAXES PURSUANT TO THE AUTHORITY OF THIS SUBDIVISION, WHETHER OR NOT SUCH TAXES ARE SUSPENDED AT THE TIME SUCH CITY ENACTS ITS RESOLUTION PURSUANT TO SUBDIVISION (Q) OF THIS SECTION OR AT THE TIME OF ANY SUCH REPEAL; PROVIDED, FURTHER, THAT ANY SUCH LOCAL LAW, ORDINANCE OR RESOLUTION AND SECTION ELEVEN HUNDRED SEVEN OF THIS CHAPTER, AS DEEMED TO BE AMENDED IN THE EVENT A CITY OF ONE MILLION OR MORE ENACTS A RESOLUTION PURSUANT TO THE AUTHORITY OF SUBDIVISION (Q) OF THIS SECTION, SHALL BE FURTHER AMENDED, AS PROVIDED IN SECTION TWELVE HUNDRED EIGHTEEN OF THIS SUBPART, SO THAT THE BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE EXEMPTION IN ANY SUCH LOCAL LAW, ORDINANCE OR RESOLUTION OR IN SUCH SECTION ELEVEN HUNDRED SEVEN IS THE SAME AS THE BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE EXEMPTION IN PARAGRAPH FORTY-FOUR OF SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER.

S 9. Subdivision (d) of section 1210 of the tax law, as amended by section 37 of part S-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(d) A local law, ordinance or resolution imposing any tax pursuant to this section, increasing or decreasing the rate of such tax, repealing or suspending such tax, exempting from such tax the energy sources and

1 services described in paragraph three of subdivision (a) or of subdivi-
2 sion (b) of this section or changing the rate of tax imposed on such
3 energy sources and services or providing for the credit or refund
4 described in clause six of subdivision (a) of section eleven hundred
5 nineteen of this chapter must go into effect only on one of the follow-
6 ing dates: March first, June first, September first or December first;
7 provided, that a local law, ordinance or resolution providing for the
8 exemption described in paragraph thirty of subdivision (a) of section
9 eleven hundred fifteen of this chapter or repealing any such exemption
10 or a local law, ordinance or resolution providing for a refund or credit
11 described in subdivision (d) of section eleven hundred nineteen of this
12 chapter or repealing such provision so provided must go into effect only
13 on March first; PROVIDED, FURTHER, THAT A LOCAL LAW, ORDINANCE OR RESOL-
14 UTION PROVIDING FOR THE EXEMPTION DESCRIBED IN PARAGRAPH FORTY-FOUR OF
15 SUBDIVISION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER OR
16 REPEALING ANY SUCH EXEMPTION SO PROVIDED AND A RESOLUTION ENACTED PURSU-
17 ANT TO THE AUTHORITY OF SUBDIVISION (Q) OF THIS SECTION PROVIDING SUCH
18 EXEMPTION OR REPEALING SUCH EXEMPTION SO PROVIDED MAY GO INTO EFFECT
19 IMMEDIATELY. No such local law, ordinance or resolution shall be effec-
20 tive unless a certified copy of such law, ordinance or resolution is
21 mailed by registered or certified mail to the commissioner at the
22 commissioner's office in Albany at least ninety days prior to the date
23 it is to become effective. However, the commissioner may waive and
24 reduce such ninety-day minimum notice requirement to a mailing of such
25 certified copy by registered or certified mail within a period of not
26 less than thirty days prior to such effective date if the commissioner
27 deems such action to be consistent with the commissioner's duties under
28 section twelve hundred fifty of this article and the commissioner acts
29 by resolution. Where the restriction provided for in section twelve
30 hundred twenty-three of this article as to the effective date of a tax
31 and the notice requirement provided for therein are applicable and have
32 not been waived, the restriction and notice requirement in section
33 twelve hundred twenty-three of this article shall also apply.

34 S 10. Section 1210 of the tax law is amended by adding a new subdivi-
35 sion (q) to read as follows:

36 (Q) NOTWITHSTANDING ANY OTHER PROVISION OF STATE OR LOCAL LAW, ORDI-
37 NANCE OR RESOLUTION TO THE CONTRARY:

38 (1) ANY CITY HAVING A POPULATION OF ONE MILLION OR MORE IN WHICH THE
39 TAXES IMPOSED BY SECTION ELEVEN HUNDRED SEVEN OF THIS CHAPTER ARE IN
40 EFFECT, ACTING THROUGH ITS LOCAL LEGISLATIVE BODY, IS HEREBY AUTHORIZED
41 AND EMPOWERED TO ELECT TO PROVIDE THE EXEMPTION FROM SUCH TAXES FOR THE
42 SAME BIO DIESEL PRODUCTS PRODUCED, PROCESSED AND/OR DISTRIBUTED IN NEW
43 YORK STATE EXEMPT FROM STATE SALES AND COMPENSATING USE TAXES DESCRIBED
44 IN PARAGRAPH FORTY-FOUR OF SUBDIVISION (A) OF SECTION ELEVEN HUNDRED
45 FIFTEEN OF THIS CHAPTER BY ENACTING A RESOLUTION IN THE FORM SET FORTH
46 IN PARAGRAPH TWO OF THIS SUBDIVISION; WHEREUPON, UPON COMPLIANCE WITH
47 THE PROVISIONS OF SUBDIVISIONS (D) AND (E) OF THIS SECTION, SUCH ENACT-
48 MENT OF SUCH RESOLUTION SHALL BE DEEMED TO BE AN AMENDMENT TO SUCH
49 SECTION ELEVEN HUNDRED SEVEN AND SUCH SECTION ELEVEN HUNDRED SEVEN SHALL
50 BE DEEMED TO INCORPORATE SUCH EXEMPTION AS IF IT HAD BEEN DULY ENACTED
51 BY THE STATE LEGISLATURE AND APPROVED BY THE GOVERNOR.

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

54 SECTION ONE. RECEIPTS FROM SALES OF AND CONSIDERATION GIVEN OR
55 CONTRACTED TO BE GIVEN FOR PURCHASES OF BIO DIESEL PRODUCTS PRODUCED,
56 PROCESSED AND/OR DISTRIBUTED IN NEW YORK STATE EXEMPT FROM STATE SALES

1 AND COMPENSATING USE TAXES PURSUANT TO PARAGRAPH FORTY-FOUR OF SUBDIVI-
2 SION (A) OF SECTION ELEVEN HUNDRED FIFTEEN OF THE TAX LAW SHALL ALSO BE
3 EXEMPT FROM SALES AND COMPENSATING USE TAXES IMPOSED IN THIS JURISDIC-
4 TION.

5 SECTION TWO. THIS RESOLUTION SHALL TAKE EFFECT, (INSERT THE DATE) AND
6 SHALL APPLY TO SALES MADE AND USES OCCURRING ON AND AFTER THAT DATE
7 ALTHOUGH MADE OR OCCURRING UNDER A PRIOR CONTRACT.

8 S 11. The commissioner of taxation and finance is hereby authorized to
9 implement the provisions of this act with respect to the elimination of
10 the imposition of sales tax, additional taxes, and supplemental taxes on
11 bio diesel products produced, processed and/or distributed in New York
12 state and all other taxes so addressed by this act.

13 S 12. This act shall take effect April 1, 2016.