

STATE OF NEW YORK

2586

2019-2020 Regular Sessions

IN ASSEMBLY

January 24, 2019

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

AN ACT to amend the tax law, in relation to providing certain school bus operators with a refund or credit of sales and compensating use taxes on the purchase of school buses and equipment and fuel used in the operation of a school bus

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

Section 1. Section 1119 of the tax law is amended by adding a new subdivision (g) to read as follows:

(g) Subject to the conditions and limitations provided in this subdivision, a refund or credit shall be allowed for tax paid pursuant to subdivision (a) of section eleven hundred five, paragraph three of subdivision (c) of section eleven hundred five, or section eleven hundred ten of this article and any tax imposed pursuant to the authority of article twenty-nine of this chapter, on the sale to or purchase by a school bus operator of (i) a school bus, as defined in section one hundred forty-two of the vehicle and traffic law, at least seventy percent of the use of which is for the transportation, by such operator, of school students to or from school or school related events, pursuant to a contract made under the provisions of the education law, (ii) parts, equipment and lubricants when such parts, equipment and lubricants are installed in or on such a school bus, at least seventy percent of the use of which is for such transportation, by such operator, pursuant to such contract, (iii) the services described in paragraph three of subdivision (c) of section eleven hundred five of this article when rendered with respect to such a school bus so used or with respect to parts, equipment and lubricants installed in or on such a school bus so used, and (iv) motor fuel or diesel motor fuel used exclusively by such operator in such a school bus for such transportation pursuant to such contract. No refund or credit shall be allowed under this subdivision

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

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1 unless all of the requirements for such refund or credit have been met
2 for at least a twelve month period after the school bus operator's
3 purchase of such school bus; however, such refund or credit shall be
4 allowed for a school bus that is painted "national school bus chrome"
5 pursuant to subdivision twenty-one of section three hundred seventy-five
6 of the vehicle and traffic law and labeled as a "SCHOOL BUS" pursuant to
7 subparagraph one of paragraph (b) of subdivision twenty of such section
8 three hundred seventy-five if all of the requirements for such refund or
9 credit have been met in the previous quarterly reporting period as
10 described in subdivision (b) of section eleven hundred thirty-six of
11 this article. An application for a refund or credit pursuant to this
12 subdivision must be filed with the commissioner within the time provided
13 by subdivision (a) of section eleven hundred thirty-nine of this article
14 and no more frequently than quarterly. Such application shall be in
15 such form as the commissioner may prescribe. Where an application for
16 credit has been filed, the school bus operator may take such credit on
17 the return which is due coincident with or immediately subsequent to the
18 time the school bus operator files such application for credit. Howev-
19 er, the taking of the credit on the return shall be deemed to be part of
20 the application for credit and shall be subject to the provisions in
21 respect to applications for credit in such section eleven hundred thir-
22 ty-nine as provided in subdivision (e) of such section. The allowance
23 of the credit or refund shall also be subject to the school bus operator
24 maintaining records satisfactory to the commissioner demonstrating
25 compliance with all the requirements of this subdivision. The percent-
26 age of such school bus use may be computed either on the basis of mile-
27 age or hours of use, at the discretion of the purchaser or user. For the
28 purposes of this subdivision, the term "school" shall mean a pre-kinder-
29 garten or kindergarten program, a preschool, nursery school or elementa-
30 ry, intermediate or secondary school. The refund or credit shall be
31 twenty-five percent for the period commencing September first, two thou-
32 sand nineteen and ending August thirty-first, two thousand twenty, fifty
33 percent for the period commencing September first, two thousand twenty
34 and ending August thirty-first, two thousand twenty-one, seventy-five
35 percent for the period commencing September first, two thousand twenty-
36 one and ending August thirty-first, two thousand twenty-two and one
37 hundred percent commencing September first, two thousand twenty-two.

38 § 2. This act shall take effect on the first day of the sales tax
39 quarterly period, as described in subdivision (b) of section 1136 of the
40 tax law, next commencing September 1, 2019 and shall apply in accordance
41 with the applicable transitional provisions in sections 1106 and 1217 of
42 the tax law; provided, further, that the commissioner of taxation and
43 finance shall be authorized on and after the date this act shall have
44 become a law to adopt and amend any rules or regulations and issue any
45 procedure, forms or instructions necessary to implement this act on its
46 effective date.