

STATE OF NEW YORK

5927

2021-2022 Regular Sessions

IN ASSEMBLY

March 2, 2021

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

AN ACT to amend the tax law, the public authorities law and the highway law, in relation to limiting the tax on motor fuels to the national average; and to repeal sections 282-b, 282-c, 284-a and 284-c of the tax law relating to additional and supplemental fuel taxes

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

Section 1. Subdivision 1 of section 284 of the tax law, as amended by chapter 276 of the laws of 1986, is amended and a new subdivision 3 is added to read as follows:

1. There is hereby levied and imposed an excise tax [~~of four cents per gallon~~] as determined annually by a majority of the legislature no later than April first, not to exceed the national average of taxes on motor fuel by states and the district of Columbia, including any taxes and fees imposed by local governments, as compiled annually by the department, upon motor fuel (a) imported into or caused to be imported into the state by a distributor for use, distribution, storage or sale in the state or upon motor fuel which is produced, refined, manufactured or compounded by a distributor in the state (which acts shall hereinafter in this subdivision be encompassed by the phrase "imported or manufactured") or (b) if the tax has not been imposed prior to its sale in this state, which is sold by a distributor (which act, in conjunction with the acts described in paragraph (a) of this subdivision, shall hereinafter in this article be encompassed by the phrase "imported, manufactured or sold"), except when imported, manufactured or sold under circumstances which preclude the collection of such tax by reason of the United States constitution and of laws of the United States enacted pursuant thereto or when imported or manufactured by an organization described in paragraph one or two of subdivision (a) of section eleven hundred sixteen of this chapter or a hospital included in the organiza-

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

LBD07405-01-1

tions described in paragraph four of such subdivision for its own use or consumption and except kero-jet fuel when imported or manufactured by an airline for use in its airplanes. Provided, further, no motor fuel shall be included in the measure of the tax unless it shall have previously come to rest within the meaning of federal decisional law interpreting the United States constitution. All tax for the period for which a return is required to be filed shall be due on the date limited for the filing of the return for such period, regardless of whether a return is filed by such distributor as required by this article or whether the return which is filed correctly shows the amount of tax due.

3. The methodology by which the department computes the national average of sales taxes imposed on motor fuel by states and the district of Columbia for the purposes of limiting the annual excise tax imposed by subdivision one of this section shall be subject to the review and approval of a majority of the legislature every four years no later than April first.

§ 2. Subdivision 1 of section 282-a of the tax law, as amended by section 2 of part W of chapter 59 of the laws of 2013, is amended and a new subdivision 1-a is added to read as follows:

1. There is hereby levied and imposed with respect to Diesel motor fuel an excise tax [~~of four cents per gallon~~] as determined annually by a majority of the legislature no later than April first, not to exceed the national average of taxes on Diesel fuel by states and the district of Columbia including any taxes and fees imposed by local governments as compiled annually by the department, upon the sale or use of Diesel motor fuel in this state.

The excise tax is imposed on the first sale or use of Diesel motor fuel to occur which is not exempt from tax under this article. Provided, however, if the tax has not been imposed prior thereto, it shall be imposed on the removal of highway Diesel motor fuel from a terminal, other than by pipeline, barge, tanker or other vessel, or the delivery of Diesel motor fuel to a filling station or into the fuel tank connecting with the engine of a motor vehicle for use in the operation thereof whichever event shall be first to occur. The tax shall be computed based upon the number of gallons of Diesel motor fuel sold, removed or used or the number of gallons of Diesel fuel delivered into the fuel tank of a motor vehicle, as the case may be. Nothing in this article shall be construed to require the payment of such excise tax more than once upon the same Diesel motor fuel. Nor shall the collection of such tax be made applicable to the sale or use of Diesel motor fuel under circumstances which preclude the collection of such tax by reason of the United States constitution and of laws of the United States enacted pursuant thereto. Provided, further, no Diesel motor fuel shall be included in the measure of the tax unless it shall have previously come to rest within the meaning of federal decisional law interpreting the United States constitution. All tax for the period for which a return is required to be filed shall be due on the date limited for the filing of the return for such period, regardless of whether a return is filed as required by this article or whether the return which is filed correctly shows the amount of tax due.

1-a. The methodology by which the department computes the national average of sales taxes imposed on Diesel fuel by states and the district of Columbia for the purposes of limiting the annual excise tax imposed by subdivision one of this section shall be subject to the review and approval of a majority of the legislature every four years no later than April first.

1 § 3. Sections 282-b, 282-c, 284-a and 284-c of the tax law are
2 REPEALED.

3 § 4. Subdivision 1 of section 289-e of the tax law, as amended by
4 section 15 of part K of chapter 61 of the laws of 2011, is amended to
5 read as follows:

6 1. All taxes, interest, penalties and fees collected or received by
7 the commissioner under the taxes imposed by this article, except as
8 provided otherwise in subdivision two and subdivision three of this
9 section [~~and sections two hundred eighty-two-b, two hundred~~
10 ~~eighty-two-c, two hundred eighty-four-a and two hundred eighty-four-c,~~]
11 other than the fee imposed by section two hundred eighty-four-d and
12 penalties and interest on such fee, shall be deposited and disposed of
13 pursuant to the provisions of section one hundred seventy-one-a of this
14 chapter; provided that an amount equal to thirty-seven and one-half per
15 centum of the moneys collected under section two hundred eighty-four of
16 this [~~chapter~~] ~~article~~ shall be appropriated and used for the acqui-
17 sition of property necessary for the construction and reconstruction of
18 highways and bridges or culverts on the state highway system, and for
19 the construction, maintenance and repair of such highways and bridges or
20 culverts, all under the direction of the commissioner of transportation.

21 § 5. Paragraphs (b), (d) and (e) of subdivision 3 of section 289-c of
22 the tax law, paragraph (b) as amended by chapter 411 of the laws of
23 1971, paragraph (d) as amended by chapter 836 of the laws of 1974 and
24 paragraph (e) as added by chapter 756 of the laws of 1974, are amended
25 to read as follows:

26 (b) Any omnibus carrier which shall buy any motor fuel on which the
27 [~~aggregate~~] tax imposed by section two hundred eighty-four [~~and section~~
28 ~~two hundred eighty-four-a~~] of this [~~chapter~~] ~~article~~, or any diesel
29 motor fuel on which the [~~aggregate~~] tax imposed by section two hundred
30 eighty-two-a [~~and section two hundred eighty-two-b~~] of this [~~chapter~~]
31 ~~article~~, shall have been paid, shall be reimbursed, in the case of such
32 motor fuel, the amount paid pursuant to such [~~sections~~] ~~section~~ two
33 hundred eighty-four [~~and two hundred eighty-four-a~~] in excess of four
34 cents per gallon, and in the case of diesel motor fuel, the amount paid
35 pursuant to such [~~sections~~] ~~section~~ two hundred eighty-two-a [~~and two~~
36 ~~hundred eighty-two-b~~] in excess of six cents per gallon, provided such
37 motor fuel or diesel motor fuel has been consumed by such carrier in the
38 operation of an omnibus in this state. Any taxicab licensee, as defined
39 by subdivision ten of section two hundred eighty-two of this [~~chapter~~]
40 ~~article~~, who or which shall buy any motor fuel on which the [~~aggregate~~]
41 tax imposed by section two hundred eighty-four [~~and section two hundred~~
42 ~~eighty-four-a~~] of this [~~chapter~~] ~~article~~ or any diesel motor fuel on
43 which the [~~aggregate~~] tax imposed by section two hundred eighty-two-a
44 [~~and section two hundred eighty-two-b~~] of this [~~chapter~~] ~~article~~, shall
45 have been paid, shall be reimbursed, in the case of such motor fuel, the
46 amount paid pursuant to such [~~sections~~] ~~section~~ two hundred eighty-four
47 [~~and two hundred eighty-four-a~~] in excess of four cents per gallon, and
48 in the case of diesel motor fuel, the amount paid pursuant to such
49 [~~sections~~] ~~section~~ two hundred eighty-two-a [~~and two hundred~~
50 ~~eighty-two-b~~] in excess of six cents per gallon, provided such motor
51 fuel or diesel fuel has been consumed by such licensee in the operation
52 of a taxicab in this state.

53 (d) Any omnibus carrier which shall buy motor fuel on which the
54 [~~aggregate~~] tax imposed by section two hundred eighty-four[, ~~section two~~
55 ~~hundred eighty-four-a and section two hundred eighty-four-c~~] of this
56 [~~chapter~~] ~~article~~ or any diesel motor fuel on which the [~~aggregate~~] tax

1 imposed by section two hundred eighty-two-a[, ~~section two hundred eight-~~
2 ~~y two b and section two hundred eighty two c~~] of this [chapter] ~~article~~
3 shall have been paid, shall be reimbursed the amount paid provided such
4 motor fuel or diesel motor fuel has been consumed by such carrier in the
5 operation of an omnibus in local transit service in this state pursuant
6 to a certificate of convenience and necessity issued by the commissioner
7 of transportation of this state or by the interstate commerce commission
8 of the United States or pursuant to a contract, franchise or consent
9 between such carrier and a city having a population of more than one
10 million inhabitants, or any agency of such city.

11 (e) Any nonpublic school operator which shall buy motor fuel on which
12 the [aggregate] tax imposed by section two hundred eighty-four[, ~~section~~
13 ~~two hundred eighty four a and section two hundred eighty four c~~] of this
14 [chapter] ~~article~~ or any diesel motor fuel on which the [aggregate] tax
15 imposed by section two hundred eighty-two-a[, ~~section two hundred eight-~~
16 ~~y two b and section two hundred eighty two c~~] of this [chapter] ~~article~~
17 shall have been paid, shall be reimbursed the amount paid provided such
18 motor fuel or diesel motor fuel has been consumed by such nonpublic
19 school operator exclusively in educational related activities.

20 § 6. Paragraph (b) of subdivision 5 of section 376 of the public
21 authorities law, as amended by chapter 55 of the laws of 1992, is
22 amended to read as follows:

23 (b) To assure the continued operation and solvency of the authority
24 for the carrying out of the purposes relating to this section, provision
25 is made in this section for the accumulation in the debt service reserve
26 fund of an amount equal to the maximum amount of principal and interest
27 maturing and becoming due in any succeeding calendar year on all bonds
28 of the authority then outstanding and secured by such reserve fund;
29 provided however for such bonds issued by the authority after April
30 first, nineteen hundred ninety-two, such debt service reserve fund may
31 in the discretion of the authority and consistent with any covenants
32 with any existing bondholders and without impairing the rights of any
33 existing bondholders be sized in an amount equal to not less than one-
34 half of the maximum amount of principal and interest maturing and becom-
35 ing due in any succeeding calendar year on such bonds of the authority
36 then outstanding and secured by such debt service reserve fund. In order
37 to further assure the maintenance of such debt service reserve fund,
38 with respect to bonds of the authority issued pursuant to subdivisions
39 two-a, two-b and two-c of this section after April first, nineteen
40 hundred ninety, the authority shall create a special subaccount in each
41 revenue fund established pursuant to any resolution or resolutions
42 authorizing such bonds. [~~Such subaccounts shall consist of the moneys~~
43 ~~available after April first, nineteen hundred ninety, pursuant to~~
44 ~~sections two hundred eighty two b, two hundred eighty two c, two hundred~~
45 ~~eighty four a and two hundred eighty four c of the tax law, respective-~~
46 ~~ly, in the emergency highway reconditioning and preservation fund~~
47 ~~reserve account established pursuant to paragraph (b) of subdivision two~~
48 ~~of section eighty nine of the state finance law and in the emergency~~
49 ~~highway construction and reconstruction fund reserve account established~~
50 ~~pursuant to paragraph (b) of subdivision two of section eighty nine a of~~
51 ~~the state finance law, apportioned and paid to the authority for deposit~~
52 ~~in such subaccount of the revenue fund.~~] Amounts in each such subaccount
53 shall be kept separate and shall not be commingled with any other moneys
54 in the custody of the authority. Amounts in each such subaccount shall
55 be applied solely to pay such sum, if any, as shall semi-annually, (on
56 such dates as are established under the terms of any cooperative highway

1 contractual agreement of the department of transportation with the New
2 York state thruway authority entered into on or after April first, nine-
3 teen hundred ninety which is then in effect), be certified by the chair-
4 man of the authority to the governor and state director of the budget as
5 necessary to provide funds in an amount sufficient together with other
6 moneys available to the authority for such purpose, to pay one-half of
7 the total annual principal and interest maturing and becoming due during
8 the next succeeding twelve calendar months on all bonds of the authority
9 issued pursuant to subdivisions two-a, two-b and two-c of this section
10 after April first, nineteen hundred ninety and maintaining or funding
11 debt service reserve funds therefor. [~~Any surplus of funds in excess of
12 such certified amounts remaining in each such subaccount after such
13 payments, if any, have been made shall on the dates established under
14 the terms of such cooperative highway agreements, be paid over for
15 deposit, respectively, in the emergency highway reconditioning and pres-
16 ervation fund reserve account established pursuant to paragraph (b) of
17 subdivision two of section eighty nine of the state finance law and in
18 the emergency highway construction and reconstruction fund reserve
19 account established pursuant to paragraph (b) of subdivision two of
20 section eighty nine a of the state finance law.~~]

21 § 7. Subdivision 5 of section 10-c of the highway law, as amended by
22 chapter 20 of the laws of 1983, is amended to read as follows:

23 5. For amounts to be distributed pursuant to this section above the
24 funding level, as defined in this subdivision, received by any munici-
25 pality, such municipality shall use at least seventy-five percent of
26 such apportioned moneys for the construction, reconstruction or improve-
27 ment of local highways, bridges and/or highway-railroad crossings,
28 including right of way acquisition, preliminary engineering, and
29 construction supervision and inspection, where the service life of the
30 project is at least ten years. Such moneys made available may be used to
31 match other state and federal funds made available for such projects
32 under federal-aid highway acts. The remainder of the apportionment, may
33 be used for any highway purposes, except debt service, including but not
34 limited to, the acquisition of materials and equipment devoted to opera-
35 tion and maintenance of local highways, bridges and/or highway-railroad
36 crossings and the payment of any costs directly attributable to opera-
37 tion and maintenance of local highways, bridges and/or highway-railroad
38 crossings. At the discretion of the commissioner, the requirement speci-
39 fied in this subdivision may be waived for assistance payments in
40 amounts of less than five thousand dollars. For purposes of this section
41 "funding level" shall mean the average amounts, calculated for each
42 municipality, received over two years ending March thirty-first, nine-
43 teen hundred eighty-two from the provisions of the town highway improve-
44 ment program, the distribution made by former section one hundred twelve
45 of this chapter, as repealed by section twenty-one of the transportation
46 systems assistance and financing act of 1981 of amounts collected from
47 taxes on motor fuel imposed by [~~sections~~] section two hundred eighty-
48 four [~~and two hundred eighty-four a~~] of the tax law and on Diesel motor
49 fuel imposed by [~~sections~~] section two hundred eighty-two-a [~~and two~~
50 ~~hundred eighty two b~~] of the tax law, and from motor vehicle fees
51 collected from residents pursuant to the vehicle and traffic law, [~~and~~]
52 the distribution made by former section two hundred seventy-nine of this
53 chapter, as repealed by section twenty-one of the transportation systems
54 assistance and financing act of 1981, and the distributions made by
55 former sections two hundred eighty-two-b and two hundred eight-four-a of

1 the tax law, as repealed by the chapter of the laws of two thousand
2 twenty-one which amended this subdivision.
3 § 8. This act shall take effect on the ninetieth day after it shall
4 have become a law.