

STATE OF NEW YORK

8479--A

IN SENATE

March 4, 2022

Introduced by Sen. PARKER -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, the state finance law, and the general business law, in relation to enacting the "gas tax holiday act of 2022"

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "gas tax holiday act of 2022".

3 § 2. The tax law is amended by adding a new section 45 to read as
4 follows:

5 § 45. Fuel tax holiday. (a) Definitions. For purposes of this section:

6 (1) "Applicable period" shall mean from the first of the month next
7 succeeding the effective date of this section until December thirty-
8 first, two thousand twenty-two.

9 (2) "Diesel motor fuel" and "motor fuel" shall have the same meaning
10 as section two hundred eighty-two of this chapter.

11 (3) "Filling station" shall have the same meaning as section two
12 hundred eighty-two of this chapter.

13 (4) "Fuel gas" shall have the same meaning as in section 1-103 of the
14 energy law.

15 (5) "Retail sale" and "sold at retail" shall mean: (i) any sale of
16 fuel gas; or (ii) any sale of motor fuel or diesel motor fuel at a fill-
17 ing station to a person for use in a motor vehicle.

18 (6) "Retail seller" shall mean any person who sells motor fuel or
19 diesel motor fuel at retail.

20 (7) "Sale" shall have the same meaning as section two hundred eighty-
21 two of this chapter.

22 (8) "Utility" shall mean a municipality, telephone corporation, utili-
23 ty corporation, steam corporation, waterworks corporation, an elec-
24 tric corporation, a gas corporation, and a combination gas and electric
25 corporation as such terms are defined in section two of the public

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

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1 service law, and any other community water system as defined in 10 NYCRR
2 § 5-1.1.

3 (9) "Utility corporation" shall have the same meaning as subdivision
4 twenty-four of section two of the public service law.

5 (b) Exemption from taxation. Notwithstanding any other provision of
6 law, rule or regulation to the contrary, the taxes imposed on retail
7 sales of fuel gas, motor fuel and diesel motor fuel made during the
8 applicable period shall be exempt from the taxes imposed by articles
9 twelve-A, thirteen-A, and twenty-eight of this chapter. If the retail
10 seller is located within a municipality that has elected to eliminate
11 the tax imposed pursuant to article twenty-nine of this chapter, such
12 taxes shall not be imposed on the retail sale of motor fuel or diesel
13 motor fuel during the applicable period.

14 (c) Price reduction. (1) During the applicable period, each retail
15 seller shall reduce the price per gallon of motor fuel and diesel motor
16 fuel offered for sale by the amount of the taxes that the retail seller
17 prepaid on the gallon of motor fuel and diesel motor fuel and the amount
18 of tax in excess of the prepaid amount that would have been collected
19 from the consumer if the sale of the motor fuel or diesel motor fuel had
20 not been exempt from tax pursuant to subdivision (b) of this section.

21 (2) During the applicable period, each utility corporation shall
22 reduce the rate of fuel gas related utility rates per kilowatt hour
23 (kwh) offered by the amount of the taxes that the utility corpo-
24 ration prepaid on the fuel gas and the amount of tax in excess of the
25 prepaid amount that would have been collected from the consumer if
26 the fuel gas rates had not been exempt from tax pursuant to subdivision
27 (b) of this section.

28 (d) Advertising. (1) Notwithstanding any other provision of law to the
29 contrary, a retail seller may advertise that the motor fuel and/or
30 diesel motor fuel is being or will be sold without the state taxes. Such
31 advertisement may commence no earlier than three days before the appli-
32 cable period and shall end by the end of the applicable period.

33 (2) Notwithstanding any other provision of law to the contrary, a
34 utility corporation may advertise that fuel gas utility rates are being
35 or will be calculated without the imposition of state sales taxes. Such
36 advertisement may commence no earlier than three days before the appli-
37 cable period and shall end by the end of the applicable period.

38 (e) Refunds and credits. (1) Notwithstanding any other provision of
39 law to the contrary, the retail seller shall be entitled to receive a
40 credit against the taxes due pursuant to article twenty-eight of this
41 chapter for the amount of tax that the retail seller prepaid pursuant to
42 articles twelve-A, thirteen-A, twenty-eight and, if applicable, twenty-
43 nine of this chapter. If the retail seller is located within a munici-
44 pality that has elected to eliminate the tax imposed pursuant to article
45 twenty-nine of this chapter, the retail seller shall be entitled to
46 claim a credit against the taxes due pursuant to article twenty-eight of
47 this chapter for such prepaid taxes. The amount of credit shall equal
48 the amount of tax that was prepaid pursuant to articles twelve-A, thir-
49 teen-A, twenty-eight and, if applicable, twenty-nine of this chapter for
50 each gallon of motor fuel and diesel motor fuel sold at retail during
51 the applicable period. Such credit shall not be allowed for sales that
52 would have otherwise been exempt from tax.

53 (2) A retail seller may claim the credit prescribed in paragraph one
54 of this subdivision when the retail seller files its return of tax for
55 the sales of motor fuel and diesel motor fuel for the period that
56 includes the applicable period. Notwithstanding the foregoing, if a

retail seller is required to file its return more than thirty days after the close of the applicable period defined in paragraph one of subdivision (a) of this section, such retailer shall be authorized to file an amendment to its most recently filed return to claim such credit. No credit may be claimed for the taxes prepaid pursuant to article twelve-A, thirteen-A, twenty-eight or, if applicable, twenty-nine of this chapter pursuant to this section if the claim would have been barred pursuant to the article that required prepayment of such taxes. No interest shall be paid on any claims for credit made pursuant to this section.

§ 3. Subdivision 3 of section 89-b of the state finance law is amended by adding a new paragraph (g) to read as follows:

(g) Within forty-five days after the applicable period as defined by subdivision (a) of section forty-five of the tax law, the comptroller, in consultation with the director of the division of the budget, shall transfer from the general fund to the special obligation reserve and payment account an amount equal to the amount that would have otherwise been deposited in the special obligation reserve and payment account pursuant to this section if the exemption defined in subdivision (b) of section forty-five of the tax law had not been authorized.

§ 4. Section 392-i of the general business law, as amended by section 5 of part M-1 of chapter 109 of the laws of 2006, is amended to read as follows:

§ 392-i. Prices reduced to reflect change in sales tax computation. Every person engaged in the retail sale of motor fuel and/or diesel motor fuel or a distributor of such fuels, as defined in article twelve-A of the tax law, shall reduce the price such person charges for motor fuel and/or diesel motor fuel in an amount equal to any reduction in taxes prepaid by the distributor, credit for the amount of taxes prepaid by the retail seller allowable pursuant to section forty-five of the tax law, exemption from taxation pursuant to section forty-five of the tax law to the extent that the tax that would have been otherwise due exceeds the amount of tax prepaid, or paid by retail customers resulting from computing sales and compensating use and other taxes at a cents per gallon rate pursuant to the provisions of paragraph two of subdivision (e) and subdivision (m) of section eleven hundred eleven of the tax law.

§ 5. Paragraph 1 of subdivision (n) of section 1817 of the tax law, as amended by section 30 of subpart I of part V-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(1) Every person engaged in the retail sale of motor fuel and/or diesel motor fuel or a distributor of such fuels, as defined in article twelve-A of this chapter, shall comply with the provisions of section three hundred ninety-two-i of the general business law by reducing the prices charged for motor fuel and diesel motor fuel in an amount equal to any reduction in taxes prepaid by the distributor, credit for the amount of taxes prepaid by the retail seller allowable pursuant to section forty-five of this chapter, exemption from taxation pursuant to section forty-five of this chapter to the extent that the tax that would have been otherwise due exceeds the amount of tax prepaid, or imposed on retail customers resulting from computing sales and compensating use and other taxes at a cents per gallon rate pursuant to the provisions of paragraph two of subdivision (e) and subdivision (m) of section one thousand one hundred eleven of this chapter.

§ 6. Notwithstanding any law to the contrary, a municipality may make the election to eliminate all taxes on fuel gas, motor fuel and diesel

1 motor fuel pursuant to sections eleven hundred seven and eleven hundred
2 eight of the tax law or article twenty-nine of the tax law for the
3 applicable period, as defined by subdivision (a) of section forty-five
4 of the tax law, as added by section two of this act, by local law, ordinance or resolution, if such municipality mails, by certified or registered mail, a certified copy of such local law, ordinance or resolution
5 to the commissioner of taxation and finance at his or her office in
6 Albany no later than the Wednesday immediately preceding the first day
7 of the applicable period.

10 § 7. The commissioner of taxation and finance shall, on an emergency
11 basis, promulgate and/or amend any rules and regulations necessary to
12 provide for the tax free sales of fuel gas, motor fuel and diesel motor
13 fuel and refunds of prepaid tax to retail sellers.

14 § 8. This act shall take effect immediately.