

# STATE OF NEW YORK

3461

2023-2024 Regular Sessions

## IN ASSEMBLY

February 3, 2023

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

AN ACT to amend the tax law, the general business law and the state finance law, in relation to establishing a temporary fuel tax holiday

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

1 Section 1. The tax law is amended by adding a new section 48 to read  
2 as follows:

3 § 48. Fuel tax holiday. (a) Definitions. For purposes of this section,

4 (1) "Applicable period" shall mean the period beginning fourteen days  
5 after the effective date of this section and ending one year after such  
6 beginning date.

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

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

11 (4) "Retail sale" and "sold at retail" shall mean any sale of motor  
12 fuel or diesel motor fuel at a filling station to a person for use in a  
13 motor vehicle.

14 (5) "Retail seller" shall mean any person who sells motor fuel or  
15 diesel motor fuel at retail.

16 (6) "Sale" shall have the same meaning as section two hundred eighty-  
17 two of this chapter.

18 (b) Exemption from taxation. Notwithstanding any other provision of  
19 law, rule or regulation to the contrary, the taxes imposed on retail  
20 sales of motor fuel and diesel motor fuel made during the applicable  
21 period shall be exempt from the taxes imposed by articles twelve-A,  
22 thirteen-A, and twenty-eight of this chapter. If the retail seller is  
23 located within a municipality that has elected to eliminate the tax  
24 imposed pursuant to article twenty-nine of this chapter, such taxes

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

LBD07313-01-3

1 shall not be imposed on the retail sale of motor fuel or diesel motor  
2 fuel during the applicable period.

3 (c) Price reduction. During the applicable period, each retail seller  
4 shall reduce the price per gallon of motor fuel and diesel motor fuel  
5 offered for sale by the amount of the taxes that the retail seller  
6 prepaid on the gallon of motor fuel and diesel motor fuel and the amount  
7 of tax in excess of the prepaid amount that would have been collected  
8 from the consumer if the sale of the motor fuel or diesel motor fuel had  
9 not been exempt from tax pursuant to subdivision (b) of this section.

10 (d) Advertising. Notwithstanding any other provision of law to the  
11 contrary, a retail seller may advertise that the motor fuel and/or  
12 diesel motor fuel is being or will be sold without the state taxes. Such  
13 advertisement may commence no earlier than three days before the appli-  
14 cable period and must end by the end of the applicable period.

15 (e) Refunds and credits. (1) Notwithstanding any other provision of  
16 law to the contrary, the retail seller shall be entitled to receive a  
17 credit against the taxes due pursuant to article twenty-eight of this  
18 chapter for the amount of tax that the retail seller prepaid pursuant to  
19 articles twelve-A, thirteen-A, twenty-eight and, if applicable, twenty-  
20 nine of this chapter. If the retail seller is located within a munici-  
21 pality that has elected to eliminate the tax imposed pursuant to article  
22 twenty-nine of this chapter, the retail seller shall be entitled to  
23 claim a credit against the taxes due pursuant to article twenty-eight of  
24 this chapter for such prepaid taxes. The amount of credit shall equal  
25 the amount of tax that was prepaid pursuant to articles twelve-A, thir-  
26 teen-A, twenty-eight and, if applicable, twenty-nine of this chapter for  
27 each gallon of motor fuel and diesel motor fuel sold at retail during  
28 the applicable period. Such credit shall not be allowed for sales that  
29 would have otherwise been exempt from tax.

30 (2) A retail seller may claim the credit prescribed in paragraph one  
31 of this subdivision when the retail seller files its return of tax for  
32 the sales of motor fuel and diesel motor fuel for the period that  
33 includes the applicable period. Notwithstanding the foregoing, if a  
34 retailer seller is required to file its return more than thirty days  
35 after the close of the applicable period defined in paragraph one of  
36 subdivision (a) of this section, such retailer shall be authorized to  
37 file an amendment to its most recently filed return to claim such cred-  
38 it. No credit may be claimed for the taxes prepaid pursuant to article  
39 twelve-A, thirteen-A, twenty-eight or, if applicable, twenty-nine of  
40 this chapter pursuant to this section if the claim would have been  
41 barred pursuant to the article that required prepayment of such taxes.  
42 No interest shall be paid on any claims for credit made pursuant to this  
43 section.

44 § 2. Section 88-a of the state finance law is amended by adding a new  
45 subdivision 8 to read as follows:

46 8. By March thirty-first, two thousand twenty-four, the comptroller  
47 shall transfer from the general fund to the mass transportation operat-  
48 ing assistance fund an amount no greater than the amount that would have  
49 otherwise been deposited in the mass transportation operating assistance  
50 fund pursuant to this section if the exemption defined in subdivision  
51 (b) of section forty-eight of the tax law had not been authorized;  
52 provided however that the comptroller shall make such transfer only  
53 after the director of the budget has determined in his or her discretion  
54 that the transfer is necessary to ensure a positive fund balance of the  
55 mass transportation operating assistance fund at the end of the two  
56 thousand eleven-two thousand twelve state fiscal year.

§ 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 an applicable period as defined by subdivision (a) of section forty-eight 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-eight of the tax law had not been authorized.

§ 4. Section 89-c of the state finance law is amended by adding a new subdivision 4 to read as follows:

4. Within forty-five days after an applicable period as defined by subdivision (a) of section forty-eight 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 dedicated mass transportation trust fund an amount equal to the amount that would have otherwise been deposited in the dedicated mass transportation trust fund pursuant to this section if the exemption defined in subdivision (b) of section forty-eight of the tax law had not been authorized.

§ 5. 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-eight of the tax law, exemption from taxation pursuant to section forty-eight 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.

§ 6. 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-eight of the tax law, exemption from taxation pursuant to section forty-eight of the tax law 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 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.

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

1 pursuant to sections eleven hundred seven and eleven hundred eight of  
2 the tax law or article twenty-nine of the tax law beginning fourteen  
3 days after the effective date of this section and ending one year after  
4 such beginning date, by local law, ordinance or resolution, if such  
5 municipality mails, by certified or registered mail, a certified copy of  
6 such local law, ordinance or resolution to the commissioner of taxation  
7 and finance at his or her office in Albany no later than the Wednesday  
8 immediately preceding the applicable period as defined by paragraph one  
9 of subdivision (a) of section forty-eight of the tax law.

10 § 8. The commissioner of taxation and finance shall (a) on an emergen-  
11 cy basis, promulgate and/or amend any rules and regulations necessary to  
12 provide for the tax free sales of motor fuel and diesel motor fuel and  
13 refunds of prepaid tax to retail sellers; and

14 (b) immediately make provisions for retail sellers to apply for credit  
15 for the taxes prepaid pursuant to articles twelve-A, thirteen-A,  
16 twenty-eight, and, if applicable, twenty-nine of the tax law.

17 § 9. This act shall take effect immediately.