STATE OF NEW YORK

11583

IN ASSEMBLY

June 5, 2026

Introduced by COMMITTEE ON RULES -- (at request of M. of A. Palmesano, Ra) -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to suspending certain taxes on motor fuel and diesel motor fuel; and providing for the repeal of such provisions upon expiration thereof

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

Section 1. The tax law is amended by adding a new section 50 to read as follows:

§ 50. Suspension of certain taxes on motor fuel and diesel motor fuel. (a) Definitions. For purposes of this section:

(1) "Distributor" shall have the same meaning as that term is defined in subdivision one of section two hundred eighty-two of this chapter.

(2) "Motor fuel" shall have the same meaning as that term is defined in subdivision two of section two hundred eighty-two of this chapter.

(3) "Diesel motor fuel" shall mean "highway diesel motor fuel" as defined in subdivision sixteen-a of section two hundred eighty-two of this chapter.

(4) The terms "retail sale", "sale" and "use" shall have the same meanings as those terms are defined in section eleven hundred one of this chapter.

(b) Notwithstanding any other law to the contrary, the following taxes shall be suspended beginning on June first, two thousand twenty-six and ending on December thirty-first, two thousand twenty-six:

(1) the taxes imposed on diesel motor fuel by subdivision one of section two hundred eighty-two-a, and sections two hundred eighty-two-b and two hundred eighty-two-c of this chapter;

(2) the taxes imposed on motor fuel by sections two hundred eighty-four, two hundred eighty-four-a and two hundred eighty-four-c of this chapter; and

(3) the prepaid sales taxes imposed on motor fuel and diesel motor fuel by subdivision (a) of section eleven hundred two of this chapter.

(c) Notwithstanding any other law to the contrary, beginning on June first, two thousand twenty-six and ending on December thirty-first, two

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

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thousand twenty-six, the state sales and use taxes imposed by sections eleven hundred five, eleven hundred nine and eleven hundred ten of this chapter shall not apply to sales or uses of motor fuel or diesel motor fuel, and the provisions of subdivision (e) and paragraphs one and two of subdivision (m) of section eleven hundred eleven of this chapter shall be suspended. Nothing in this subdivision shall affect the application of the taxes imposed pursuant to the authority of article twenty-nine of this chapter to motor fuel or diesel motor fuel.

(d) The taxes described in subdivisions (b) and (c) of this section shall not be included in the price of motor fuel or diesel motor fuel sold for the period beginning on June first, two thousand twenty-six and ending on December thirty-first, two thousand twenty-six. Any retailer that purchases motor fuel or diesel motor fuel during such period upon which such taxes were previously paid and included in the price paid by such retailer shall be entitled to a refund or credit of such taxes.

(e) Notwithstanding any other law to the contrary, beginning on June first, two thousand twenty-six and ending on December thirty-first, two thousand twenty-six, the composite rates of tax applicable for purposes of subdivision two of section five hundred three-a and subdivision (b) of section five hundred twenty-three of this chapter shall be determined without reference to the suspension of the taxes described by subdivisions (b) and (c) of this section, but shall be computed using the respective rates in effect on May thirty-first, two thousand twenty-six.

(f) Notwithstanding any other provision of law to the contrary, on or before the fifth day each month for the period beginning July, two thousand twenty-six and ending January, two thousand twenty-seven, the comptroller shall, in consultation with the director of the division of the budget, transfer from the general fund to the mass transportation operating assistance fund created by section eighty-eight-a of the state finance law, the dedicated highway and bridge trust fund established by section eighty-nine-b of such law, and the dedicated mass transportation trust fund established by section eighty-nine-c of such law, amounts equal to the revenue distributed to such funds from the taxes described in subdivisions (b) and (c) of this section in state fiscal year two thousand twenty-five--two thousand twenty-six, adjusted by the change in such amounts projected for state fiscal year two thousand twenty-six--two thousand twenty-seven as if the suspension of such taxes had not occurred, as reflected in the state fiscal year two thousand twenty-six--two thousand twenty-seven enacted budget.

(g) Every person engaged in the retail sale of motor fuel or diesel motor fuel or a distributor of such fuels, shall comply with the provisions of this section 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 or imposed on retail customers resulting from the suspension of taxes on motor fuel and diesel motor fuel under this section.

§ 2. This act shall take effect immediately and shall expire and be deemed repealed December 31, 2026.