



## Instructions for Form PT-107 Tax on Natural Gas

**Note:** All quantity entries should be made in Mcfs (thousand cubic feet)

**Line 1** - Enter the amount of natural gas on hand in New York State at the beginning of the month.

Do not include:

- any amount of natural gas held for the purpose of fueling motor vehicles (report this amount as receipt of motor fuel on Form PT-101).

**Line 2** - Enter the amount of natural gas purchased, produced or extracted outside New York State and imported into New York State. Include natural gas shipped directly to any of your own facilities or shipped directly to your customers in New York State.

**Line 3** - Enter the amount of natural gas purchased in New York State during the period covered by the return or produced, manufactured or extracted by you within New York State. Include natural gas shipped directly to any of your own facilities or shipped directly to your customers in New York State.

**Line 4** - Enter the total amount of additions of other substances added to your inventory causing your overall inventory to increase.

**Line 6** - Enter the amount of natural gas on hand in New York State at the end of the period.

**Line 8** - Enter the amount of natural gas sold to the United States and any of its agencies and instrumentalities or to New York State and any of its agencies, instrumentalities, public corporations or political subdivisions (including school districts).

These sales must be evidenced by a governmental contract or purchase order or must otherwise be identifiable in your record of account.

**Line 9** - Enter the amount of natural gas sold to a registered energy business for resale. Such sales must be evidenced by a copy of the purchaser's Certificate of Registration as an Energy Business under Article 13-A of the Tax Law and a properly completed Form ST-120, *Resale Certificate*, issued by the purchaser to the seller.

**Line 10** - Enter the amount of natural gas sold to consumers exclusively for residential purposes. Sales to consumers billed on a single meter used for both residential and nonresidential purposes are treated as follows:

- Where residential purposes constitute 75% or more of the usage, the usage is considered entirely for residential purposes.
- Where residential purposes constitute less than 75%, usage for residential purposes must be reported to the nearest 10%.

Residential purposes means any use of a structure or part of a structure as a place of abode maintained by or for a person, whether or not owned by such person, on other than a temporary or transient basis.

**Line 11** - Enter the amount of natural gas you used or consumed for residential purposes.

**Line 12** - Enter the amount of natural gas sold or used as a motor fuel. Include any inventory intended for use as motor fuel. This fuel should be included on lines 30 and 43 of Form PT-101.

**Line 13** - Enter the amount of natural gas sold to electric corporations and cogeneration facilities who have supplied you with copies of their direct payment permits. A copy of the direct payment permit authorization must be maintained in your files.

**Line 14** - Enter the amount of natural gas produced, extracted or manufactured exclusively for your own use or consumption, **but only if you do not sell natural gas to others** in the regular course of business. If you sell any natural gas so produced, extracted or manufactured you are not eligible for this exemption and make no entry on this line. Do not include any amount of natural gas you used for residential purposes if it is already included on line 11.

**Line 15** - Enter the amount of natural gas sold to customers outside New York State where the sale occurs out of state.

**Line 18** - Enter total inventory gain or loss of the reporting company. Include any amount of natural gas lost due to evaporation, shrinkage and handling. Any losses must be explained in detail on a statement attached to the return.

**Line 20** - Electric corporation and cogeneration facility direct pay permittees enter the amount shown on line 33 of Schedule A. This figure represents the amount of natural gas exempt from the tax for the period.

**Line 22** - Enter the amount of natural gas included on lines 1, 2 or 3 that you purchased with the Article 13-A tax passed through to you and which you sold or used during the period covered by the return.

**Line 25** - Cogeneration facilities or independent power producers enter the amount of natural gas used, during the period covered by the return, to generate electricity sold to rate regulated public electric utilities from all lines 36 on all Schedule B's.

**Lines 27-33** - Schedule A - Cogeneration facilities registered under Article 13-A as energy businesses who have been granted direct payment permit privileges must complete Schedule A to determine the portion of natural gas used during the period covered by the return to generate steam and/or electricity supplied to and used by the thermal energy host.

Equivalent values of steam and electricity are those used by the New York State Energy Office, e.g.:

1 kilowatt hour = 3,412 Btus

1 pound of low pressure steam = 1,000 Btus

For additional clarification see ASME or NBS/NRC steam tables

Total useful steam and electricity produced by a facility includes that produced for the host, the electric utility and any other useful purpose.

The term "cogeneration facility" includes any facility with an electric generating capacity of up to eighty megawatts, together with any related facilities located at the same project site, which is fueled by coal, gas, wood, alcohol, solid waste refuse-derived fuel, water or oil and which simultaneously or sequentially produces either electricity or shaft horsepower and useful thermal energy which is used solely for industrial and or commercial purposes.

In addition, a cogeneration facility includes a facility which the Public Service Commission determines, by rules,

meets certain requirements (including requirements respecting minimum size, fuel use and fuel efficiency), and (2) is owned by a person not primarily engaged in the generation or sale of electric power (other than electric power solely for cogeneration facilities or small power production facilities).

Complete lines 27 through 33 and transfer the amount on line 33 to line 20 of this form.

Lines 34-36 - Schedule B - Cogeneration facilities and independent power producers making sales to rate regulated electric utilities must complete Schedule B to determine the amount of credit against the Article 13-A tax for the natural gas it uses to generate that electricity.

Complete lines 34 through 36 and transfer the amount shown on line 36 to the box on line 25 of this form.

If sales were made to more than one rate regulated utility, a separate Schedule B must be completed for each and the line 36 amounts totaled and transferred to the box on line 25.

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