

Schenectady County Local Sales and Use Tax Exemption for Residential Energy Sources and Services Effective December 1, 2005

All vendors of utility services:

Schenectady County has enacted legislation to temporarily exempt from its local sales and use tax rate receipts from the sale of energy sources and services used for residential purposes. As of December 1, 2005, the local tax rate imposed on **residential energy sources and services in Schenectady County will be eliminated**. These sales will be fully exempt from local sales and use tax until March 1, 2006, when the rate will return to 4%.

Sales of **residential energy sources and services in the Schenectady School District (S.D.) will continue to be subject to the 3% tax** imposed by the School District until March 1, 2006, when the rate will return to 7%.

This change will affect your tax collections and payments if you make sales of residential energy sources and services in Schenectady County, including the Schenectady School District.

Residential energy sources and services include:

- gas (including propane in containers of 100 pounds or more), electricity, and steam; and
- coal, fuel oil, and wood for residential heating.

Reporting requirements:

Sales of gas (including propane in containers of 100 pounds or more), electricity, and steam services in Schenectady County (outside the Schenectady S.D.) for residential use are fully exempt. Report these sales as part of your gross sales only. Report sales of these services made in the Schenectady S.D. on Schedule B, Part 1, on the Schenectady S.D. 3% entry line. Sales of coal, fuel oil, and wood (for heating) for residential use in Schenectady County are exempt. Report these sales as part of your gross sales only. The exemption described in this notice **does not affect** the rates of tax imposed on **nonresidential energy sources and services in Schenectady County**.

Special transitional provisions:

Unless the sales are based on meter readings, sales of residential energy sources and services made on or after December 1, 2005, are subject to sales tax at the rate in effect at the time of delivery to the customer, whether or not these sales were contracted for prior to any change in the sales tax rate. Where the bill for a sale is based on a meter reading that occurs on or after December 1, 2005, and the number of days from December 1, 2005, to the date of the meter reading is more than half the total number of days covered by the bill, the sale is exempt from the Schenectady County local sales and use tax, but subject to the 3% Schenectady S.D. tax, if applicable.