

Reduced Petroleum Business Tax (PBT) Rates for Nonresidential Heating

On May 15, 2000, Governor George E. Pataki signed into law Chapter 63 of the Laws of 2000. This act provides for a reduction in the petroleum business tax (PBT) rates on diesel motor fuel and residual petroleum product when sold to consumers exclusively for the purpose of nonresidential heating. This rate reduction is effective September 1, 2002. The reduced rates also apply to registered petroleum businesses that use these fuels for such purpose.

The new PBT nonresidential heating rates are 4.3 cents per gallon for diesel motor fuel and 3.3 cents per gallon for residual petroleum product. These rates are shown on Publication 908 (9/02), *Fuel Tax Rates*. PBT rates are subject to annual indexing on January 1 and, if necessary, adjusted annually on Publication 908.

(Tax Law, Section 301-b(d)(2))