

Onondaga County Sales and Use Tax Rate Increase — Effective September 1, 2004

Attention:

All persons required to collect sales tax, pay compensating use tax, or both: Onondaga County has enacted legislation to increase its local sales and use tax rate. **As of September 1, 2004, the combined state and local tax rate imposed in Onondaga County is increased to 8¼%.** This includes the 4¼% state tax and the 4% Onondaga County local tax. This change will affect your tax collections and payments if you make taxable sales or deliveries to customers, or if you make taxable uses, in Onondaga County.

Therefore, beginning September 1, 2004, **all taxable sales and uses in Onondaga County are subject to tax at the 8¼% rate**, except as otherwise provided by the special transitional provisions below.

Reporting requirements

All taxable sales made within Onondaga County reported on sales and use tax returns Form ST-100, Form ST-101, Form ST-102, and Form ST-810, must be reported on the Onondaga County 8¼% entry line.

All **Schedule Q** filers reporting sales of property or services eligible for exemption to a Qualified Empire Zone Enterprise (QEZE) must enter this information on the Onondaga County 4% entry line.

All **Schedule FR** filers reporting retail sales of motor fuel and diesel motor fuel, and fuel taken from inventory, as explained in the Schedule FR instructions, must enter this information on the Onondaga County 8¼% entry line.

Special transitional provisions

All sales and uses occurring on or after September 1, 2004, are taxed at the rate of **8¼%**, except as provided below:

(a) Layaway sales

Receipts may be reported at the lower rate of 7¼% only if the following conditions are met:

- (1) before May 1, 2004, a written agreement was made and the item sold was segregated from other similar property in the possession of the vendor; and
- (2) before September 1, 2004, the purchaser has paid at least 10% of the sales price.

(b) Utility bills for nonresidential gas and electricity based on meter readings

If the meter is read on or after September 1, 2004, and the number of days from September 1, 2004, to the date of the meter reading is more than half the total number of days covered by the bill, report sales of these services at the higher rate of 8¼%. Onondaga County does not impose sales or use tax on **residential energy sources and services**.

(c) Telephone bills

Report charges for services furnished on or after the date of the first bill dated in September 2004 at the higher rate of 8¼%. Report charges for services furnished before the date of the first bill dated in September 2004 at the lower rate of 7¼%, even though the services may be furnished on or after September 1, 2004.

(d) Telephone answering services

Prorate receipts that cover a period beginning before and ending on or after September 1, 2004. Receipts for the period prior to September 1, 2004, must be reported at the lower rate of 7¼%. Report receipts for the period on and after September 1, 2004, at the higher rate of 8¼%.

(e) Social and athletic club dues

Regardless of the date a bill is mailed, report all bills covering any period that begins on or after September 1, 2004, at the higher rate of 8¼%. Report all bills covering periods that begin before September 1, 2004, at the lower rate of 7¼%.

(f) Admissions

Report taxable admissions to an event occurring on or after September 1, 2004, at the higher rate of 8¼%, whether or not the admission charge was paid before that date, unless the tickets were sold and delivered before September 1, 2004, to the person attending the event.

(g) Hotel occupancy

Report all taxable daily rentals occurring on or after September 1, 2004, at the higher rate of 8¼%. Report all taxable daily rentals occurring before September 1, 2004, at the lower rate of 7¼%. If the rental is on other than a daily basis, prorate the amount of rent between the number of days taxable at the higher rate and the number of days taxable at the lower rate.

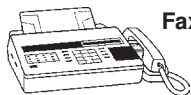
(h) Pre-existing lump sum or unit price construction contracts

Contractors purchasing materials in Onondaga County for use in construction contracts pay the rate of 7¼% on purchases made before September 1, 2004, and 8¼% on purchases made on or after that date. Contractors who irrevocably entered into a pre-existing lump sum or unit price construction contract before July 15, 2004 (the date on which the local legislation was adopted), may receive a credit or refund of the additional 1% local sales and use tax paid on or after September 1, 2004. This credit or refund applies only to purchases of tangible personal property used solely in the performance of such contract.

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If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.