

**GOVERNOR'S PROGRAM BILL  
2022**

**MEMORANDUM**

An act to amend part RR of Chapter 59 of the laws of 2022 amending the tax law relating to suspending the excise tax, prepaid sales tax and state sales taxes on motor fuel and Diesel motor fuel, and authorizing localities to elect a cents-per-gallon rate of tax on such fuels based on four dollars, in relation to providing special requirements for notice and mailing of local enactments electing a cents-per-gallon rate of sales and use tax and for the effective date of the repeal thereof

**Purpose:** Extend certification period for local counties to elect to suspend certain taxes on motor fuel and diesel motor fuel and provide an expiration and repeal of such election.

**Summary of Provisions:**

Paragraph 1, allows a county who opts-in to suspend the excise tax, prepaid sales tax and state sales taxes on motor fuel and Diesel motor fuel to submit a certified copy of a local law, ordinance or resolution making the election authorized by paragraph (4) of subdivision (m) of section 1111 of the tax law that is to take effect on June 1, 2022 by certified or registered mail to the Albany office of the Commissioner of Taxation and Finance on or before May 16, 2022.

Paragraph 2, advises, such election shall expire and be deemed repealed on January 1, 2023.

Paragraph 3, advises, the Commissioner of Taxation and Finance to accept and give effect to an otherwise legally sufficient local law, ordinance or resolution making the election provided for a repeal date of January 1, 2023 and that was properly mailed according to the provisions of subdivision (d) of section 1210 of the tax law prior to the effective date of that act to become a law if the locality notifies such commissioner or his or her designee in writing no later than May 16, 2022, that it intends such local law, ordinance or resolution to take effect and to be repealed as provided therein.

**Existing Law:**

Chapter 59 of the laws of 2022 amends the tax law, in relation to suspending the excise tax, prepaid sales tax and state sales taxes on motor fuel and Diesel motor fuel, and authorizes localities to elect a cents-per-gallon rate of tax on such fuels based on four dollars.

**Justification:** In an effort to provide tax relief to New York families with rising fuel costs, a suspension of certain taxes pertaining to motor fuel and Diesel motor fuel, was enacted in Part RR of Chapter 59 of the laws of 2022 from June 1, 2022 until December 31, 2022. This law authorizes localities to elect a cents-per-gallon rate of tax on such fuels based on four dollars, in relation to providing special requirements for notice and mailing of local enactments electing a cents-per-gallon rate of sales and use tax.

However, according to the current tax law, in order for local counties to opt-in they must make their election to cap the tax at \$2.00, \$3.00, or \$4.00 and send a certification of such election to the Commissioner of Taxation and Finance by May 2, 2022, to take effect on June 1, 2022. Most counties are unable to meet this deadline due to a number of reasons including the mailing requirement and process as designated by Tax and Finance. As such, the current law is being amended to extend the certification time period until May 16, 2022, thereby giving each locality enough time to respond should they choose to opt-in and suspend certain taxes pertaining to motor fuel and Diesel motor fuel on June 1, 2022.

In addition, there is a technical fix to the law, in which Tax and Finance has added that such election shall expire and be deemed repealed on January 1, 2023.

**Legislative History:**

Part RR, Chapter 59 of the laws of 2022

**Budget Implications:**

None.

**Effective Date:** This act shall take effect immediately.