

ROBERT A. DOHERTY  
CHAIR

MICHAEL BROOKS  
VICE CHAIR



ANNMARIE MARTIN  
CLERK

TEL: 845-807-0450

**COUNTY OF SULLIVAN**  
**OFFICE OF THE LEGISLATURE**  
**SULLIVAN COUNTY GOVERNMENT CENTER**  
100 NORTH STREET  
PO BOX 5012  
MONTICELLO, NY 12701

## **Energy Tax**

### ***FACT SHEET***

**WHAT IS THE ENERGY TAX?** Since 1975, the County of Sullivan has assessed a 4% sales and use tax on every local commercial entity's/property's electric and heating fuel delivery bills. Residential entities/properties were exempted. On July 23, 2020, the Sullivan County Legislature unanimously removed the residential exemption, effective Sept. 1, 2020. Commercial payers won't see a change.

**WHY ARE RESIDENTIAL BILLS NOW BEING INCLUDED?** Due to the dramatic financial impacts of COVID-19, Sullivan County is experiencing serious fiscal challenges and has embarked upon a series of measures to reduce expenses and seek out alternative revenue in order to avoid significant property tax increases, additional program cuts and further layoffs. Other revenue sources, including the State and Federal governments, are not reliable at this time, and a comparable property tax increase would likely harm property values and not be as inclusive of the entire population as the Energy Tax. Lifting the residential exemption is anticipated to raise at least \$2.5 million annually.

**WILL THIS ENERGY TAX GO AWAY?** For residential properties and customers, yes. Legislators unanimously agreed to reinstate the residential exemption of the Energy Tax on February 28, 2023. By that time, it is hoped the harshest impacts of the coronavirus pandemic will be over. That will also be at the beginning of the next election year for the current Legislature – the intent being to hold legislators accountable to voters, who will clearly remember in November whether the Legislature let the residential tax go or held on to it. (Commercial bills will continue to be taxed as they have been since the law's 1975 enactment.)

**BY WHAT AUTHORITY CAN THIS BE UNDERTAKEN?** Resolution No. 3 of 1975 of the Sullivan County Board of Supervisors (which was succeeded in 1995 by the Sullivan County Legislature) authorized the collection of a 4% tax on the retail sale or use of fuel oil, coal, wood, propane (except when sold in containers of less than 100 pounds), natural gas, electric and steam.

Residential properties were exempted at that time but, as described above, that exemption is now being temporarily removed.

**WHAT “ENERGY” DOES THIS TAX COVER?** Every electric bill generated for service provided in Sullivan County after September 1, 2020, will have the 4% Energy Tax assessed. This includes customers of NYSEG, Central Hudson and Orange & Rockland Utilities, regardless of whether the electricity was generated in Sullivan County (for example, via grid-connected solar panels) or outside the County (for example, an upstate power plant). In addition, all retail sale/use receipts for heating fuel purchased or delivered in Sullivan County will have the 4% Energy Tax assessed. This includes oil (except highway diesel motor fuel), natural gas, propane, wood (including wood pellets), biofuel, kerosene, electricity, steam and coal.

**WHAT “ENERGY” DOES THIS TAX NOT COVER?**

- Wholesale transactions
- Energy generated or derived solely from one’s own property and/or materials, and used exclusively for personal benefit, with no sale involved (for example, cutting wood on private property for use in a wood stove; the operation of a geothermal system; or the generation of electricity from solar panels unconnected to the electrical grid)
- Electricity or other energy and fuel sources used outside Sullivan County, even if the bill is the responsibility of a Sullivan County resident
- Propane tanks under 100 pounds
- Highway diesel motor fuel

**WILL SOMEONE WHO HEATS THEIR HOME WITH ELECTRICITY PAY THIS TAX TWICE?**

No, unless the bill for the use of electricity for home heating is generated separately from the household electric (power) bill.

**WILL ANYONE BE EXEMPT FROM THE ENERGY TAX?**

Only those entities and properties which are already exempt from paying sales tax will be exempt from paying the Energy Tax, as this is a form of sales tax.

**WILL THE ENERGY TAX APPLY TO FUEL DELIVERED FROM OUTSIDE SULLIVAN COUNTY, INCLUDING OUTSIDE NEW YORK STATE?**

Yes. Any delivery of home heating fuel in Sullivan County will be required to include the 4% Energy Tax in the bill. The Energy Tax will not apply to deliveries made by a Sullivan County supplier to a location outside of Sullivan County.

**HOW WILL COMPLIANCE BE ENFORCED?**

The NYS Department of Taxation and Finance will monitor and enforce compliance of the Energy Tax. Notice has already been sent to energy providers (see below).



## Sullivan County Local Sales and Use Tax on Residential Energy Sources and Services

Beginning September 1, 2020, Sullivan County is imposing a temporary 4% local sales and use tax on receipts from the retail sale of residential energy sources and services. The term *residential energy sources and services* means the following tangible personal property and services used for residential purposes:

- natural gas
- propane sold in containers of 100 pounds or more
- electricity
- steam
- gas, electric, and steam services
- fuel oil (except highway diesel motor fuel)
- coal
- wood (for heating purposes only)

This local imposition will expire on February 28, 2023.

### Reporting taxable sales and uses in Sullivan County on Schedule B, *Taxes on Utilities and Heating Fuels*

- **Part 1:** Use the *Sullivan County* 4% entry line to report sales of residential gas, propane (100 pounds or more), electricity, and steam, as well as gas, electric, and steam services.
- **Part 2:** Use the *Sullivan County* 4% entry line to report sales of residential coal, fuel oil, and wood (for heating).
- **Part 4:** Use the *Sullivan County* 4% entry line to report sales of residential electricity sold under a solar power purchase agreement.

### Special transitional exceptions

Sales of consumer utilities are subject to sales tax at the rate in effect at the time of delivery to the customer, even if the sales were contracted for before this change, except as described in Tax Bulletin [Transitional Provisions for Sales Tax Rate Changes \(TB-ST-895\)](#).