



GAS STATIONS: MORE THAN JUST GAS PAINS, THEY'RE FULL-ON STOMACH ACHES



You can find gas stations in every town across the country and pretty much everywhere else they have roads in the world. If you own a vehicle, you go to a gas station every week or two; how many other places do you go every week? And yet, despite not giving them much thought, they're a rather complex business.

Of course, people almost always notice the price per gallon and whether it's the same price if you pay using cash or a credit card (and what's the deal with that 9/10th of a penny they usually charge?) But the part we're interested in is the part where their prices include all applicable taxes.

Looking at a gas station's fuel purchase invoices is one of the few things in life that can make you feel better about the amount of taxes you pay. In New York, gas stations pay a Federal excise tax, a state excise tax, a state petroleum business tax, a state testing fee, a state spill tax, a state sales tax, a local sales tax (which depending on the area can be a percentage of the selling price or a fixed amount per gallon) and in a "Metropolitan Commuter Transportation District", they also pay an additional sales tax.

If you don't feel sick yet, just wait until you try to remit the tax to New York State. It actually requires its own form.

Schedule FR is a tax-preparers worst nightmare. To simplify the process, it requires you to differentiate the gallons sold by type and grade, back out the Federal excise tax, the state sales tax (including, if applicable, the additional sales tax for Metropolitan Commuter Transportation Districts) and the local sales tax to figure out the taxable sales. Then, you need to determine the tax due based on your prior calculations and reduce it by the amount of sales tax you prepaid when you purchased the gas which was sold during the quarter to figure out how much you still have to remit.

Then, to add to the chaos, if there is also a convenience store at the station, there's also the "traditional" part of the sales and use tax return to complete. This can be difficult for some small business owners since they need to know which items are subject to tax and which are not – this is not so easy when you sell such a variety of products (for example, is that orange juice at least 70% real fruit juice because that changes the taxability?). And of course, don't forget tracking the prepaid sales tax on cigarettes since a credit should be claimed for it.

And, if that's not enough, some locations even operate an automobile repair shop.

We think it's safe to say that New York State does not make taxes easy for gas stations. But we do! We'll even just review your calculations if you want us to because trying to do the math correctly and actually doing the math correctly aren't always the same thing.

A REFUND OWED TO THE TAXPAYER ON A SALES TAX AUDIT



A large construction company came to us when they were notified by the New York State Department of Taxation and Finance that they were being audited for sales tax. Sales tax reporting for construction companies can be confusing, especially when there is a lot of capital

ABOUT OUR FIRM



We are a dedicated team of sales and use tax professionals who have committed our careers to helping businesses and fellow professionals with sales and use tax problems.

...improvement work being completed which means use tax is due on materials.

Luckily, this company used a costing system! We worked with the auditor to select a reasonable test period and we were able to link all of the material purchases to specific jobs. After reviewing the sales documentation and the related purchases, it was determined that the company paid too much sales tax on their material purchases used in capital improvements and the company was due a refund from the tax department!

In certain circumstances, no use tax is due on materials used in a capital improvement entitling you to a refund. If you don't know those circumstances please give us a call...

Since the only work we are focused on is sales tax consulting, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

WHEN YOU HAVE A SALES TAX PROBLEM, *WE ARE THE SOLUTION!*

CALL: **631-491-1500**

CONTACT US!

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“Mark Stone is the Babe Ruth of NYS sales tax info #LITPS”

-Tweeted by Anthony Lauro

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