



Legislation Text

File #: Res 1633-2000, **Version:** *

Res. No. 1633

Resolution urging the New York State Department of Taxation and Finance to promulgate regulations defining which items are excluded from the State and local sales and compensating use taxes under the recently enacted tax exemption provision on items of clothing and footwear of less than \$110.

By the Speaker (Council Member Vallone), Council Members Berman, Koslowitz, Carrion, Dear, Eisland, Freed, Michels, Nelson, Reed, Abel and Fiala; also Council Members Foster, Leffler, Pinkett, Sabini and Oddo

Whereas, In recent years the City Council and the Mayor have worked together to implement numerous temporary sales tax exemption weeks on clothing and footwear, pursuant to state authorization, which were popular among, and beneficial, to consumers and retailers alike; and

Whereas, A permanent sales tax exemption on items of clothing and footwear of less than \$110 was seen by the City Council and its other proponents as a means of providing year round tax relief to all New Yorkers and especially to low and middle income families who spend a disproportionate share of their income on clothing; and

Whereas, A permanent sales tax exemption was also seen as placing retailers in New York on equal footing with businesses in surrounding states who were not required to charge sales taxes on clothing and footwear; and

Whereas, The New York State Legislature passed and the Governor signed into law, a provision permanently exempting clothing, footwear and items used or consumed to make or repair clothing costing less than \$110 from the 4% State sales and compensating use tax; and

Whereas, The legislation that provides for the State sales tax exemption also permits counties and cities having a local sales tax to permanently exempt the purchases and uses of such clothing and footwear items from such local sales tax; and

Whereas, On June 7, 1999, the City Council adopted Resolution No. 828 which lifted New York City's 4% local sales tax on these items; and

Whereas, The City and State sales tax exemption took effect on March 1st of this year; and

Whereas, The City Council's Office of Oversight and Investigation recently issued a report titled A Taxing Matter: The Improper Assessment of Sales Tax, which demonstrated that many large and small retailers in the City were still assessing sales tax on items which have been exempted by law; and

Whereas, The assessment of the sales tax by these and other retailers denies consumers the tax benefit intended by law; now, therefore, be it

Resolved, That the Council of the City of New York urges the New York State Department of Taxation and Finance to promulgate regulations defining which items are excluded from the State and local sales and compensating use taxes under the recently enacted tax exemption provision on items of clothing and footwear of less than \$110.

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