

1985 LEGISLATION - CHAPTER 799

SALES TAX EXEMPTION FOR COMMERCIAL FISHING VESSELS

Effective August 1, 1985, Chapter 799 of the Laws of 1985 amended section 1115(a) of the Tax Law by adding a new paragraph 24 which provides an exemption from the sales and use tax on commercial fishing vessels used directly and predominantly* in the harvesting of fish for sale. It also exempts property used by or purchased for the use of such vessels for fuel, provisions, supplies, maintenance and repairs.

Chapter 799 of the Laws of 1985 also added a new subparagraph (vii) to section 1105(c)(3), which provides an exception from the sales and use tax imposition on certain services. As a result, the services of installing, maintaining, servicing and repairing with respect to fishing vessels and to tangible personal property purchased for use or used by such vessels (as such vessels are specified in new paragraph 24 of section 1115(a)), are not subject to sales and use tax.

The above stated amendments broaden the exemption which was previously available to commercial fishing vessels under section 1115(a)(12) of the Tax Law. The newly created exemption and exception grant relief from all sales and use taxes (state, local and MAC taxes imposed in New York City).

For purposes of this enactment, the term "fishing vessel" applies only to a vessel engaged directly and predominantly in the harvesting of fish for sale and not to a fishing vessel used predominantly for sport fishing purposes.

*Predominantly means more than 50%.