



# PromptTax — Sales and Compensating Use Tax Request for Hardship Exemption

			Date
Taxpayer ID number		Taxpayer name	
Taxpayer address		City	State ZIP code
Primary contact name	Primary contact telephone number ( )	Fax number ( )	

The purpose of the hardship exemption is to provide relief for vendors who have experienced a significant decrease in recent tax liability. A separate exemption form must be submitted for each applicable tax type.

You must complete the following worksheet in its entirety and meet the stated criteria in order to qualify for hardship exemption. Read the instructions on the back of this form before completing it.

	Tax amount	Period (mm/yy – mm/yy)
<b>a</b> Total sales tax — most recently completed quarter. <b>You must attach a copy of the corresponding Form ST-810</b> .....	<b>a</b>	
<b>b</b> Total sales tax — same quarter as line a, prior year .....	<b>b</b>	
<b>c</b> Total sales tax — quarter prior to most recently completed quarter .....	<b>c</b>	
<b>d</b> Total sales tax — same quarter as line c, prior year .....	<b>d</b>	
<b>e</b> Total sales tax lines (add line a and line c) .....	<b>e</b>	
<b>f</b> Total sales tax lines (add line b and line d) .....	<b>f</b>	
<b>g</b> <b>Calculation</b> (divide line e by line f) .....	<b>g</b>	
<b>h</b> Total sales tax for two quarters previous to two most current quarters (the two quarters prior to quarter reported on line c) .....	<b>h</b>	
<b>i</b> Calculation (multiply line h by line g) .....	<b>i</b>	
<b>j</b> <b>Total of lines</b> (add line e and line i) .....	<b>j</b>	

Mark an **X** in the box next to each exemption criterion that is a correct statement based on the calculations above:

Line g amount is less than 50% (0.5)

Line j is less than \$250,000

Line g percentage calculation must be less than 50% (0.5) **and** line j must be less than \$250,000 to qualify for hardship exemption.

You will receive notification granting or denying exemption status within 14 calendar days of receipt of your request. If a hardship exemption is granted, you will be released from participating in the Electronic Funds Transfer (EFT) program for the remainder of this program year and for the subsequent program year. The program cycle ends August 31 of each year.

**Certification:** I certify that the information shown on this form is to the best of my knowledge and belief true, correct, and complete.

Authorized signature	Date
Name of signatory	

## Instructions

The selection of vendors for mandatory participation in the Electronic Funds Transfer (EFT) program is based on historical tax liability. The hardship exemption is to take into account a significant decrease in tax liability from the historical selection period to a more current period.

You may qualify for hardship exemption if:

1. The tax liability for the two most recent quarters is less than 50% (0.5) of the tax liability for the same two quarters of the prior year; **and**
2. The tax liability for the two most recent quarters **plus** the tax liability for the two quarters preceding the two most recent quarters multiplied by the percentage calculated in 1. above is less than \$250,000.

If you believe you qualify for exemption based on criteria described in Tax Law section 10(b)(4), you may submit Form TR-685 to the Tax Department. To be considered for exemption, you must meet the stated criteria.

To determine the sales tax amount for each quarter, include both the tax liability shown on the applicable Form ST-810 (box 14 minus any credit for prepaid sales tax) and any subsequent audit adjustments.

**Vendor information** — Enter your tax identification number as shown on your *Notification of Required Participation in Electronic Filing and Payment Program (PromptTax) for Sales and Compensating Use Tax*, along with the company name and address.

**Primary contact information** — Enter the name, telephone number, and fax number of your primary contact as designated in your enrollment information.

The following is a step-by-step instruction for completing this form using fictitious figures from the XYZ Corporation.

Quarter ended (MM/YY)	Sales tax amount
5/07	\$ 62,500
2/07	87,500
11/06	75,000
8/06	100,000
5/06	150,000
2/06	175,000

**Line a** Enter the total sales and compensating use tax from the most recently completed quarter and the month/year of the quarter ended. **You must attach a copy of the corresponding Form ST-810 when submitting this form.**

**Example:** For the quarter ended 5/07, this figure is \$62,500.

**Line b** Enter the total sales and compensating use tax from the same quarter as in line a for the prior year and the month/year when the quarter ended.

**Example:** For the quarter ended 5/06, this figure is \$150,000.

**Line c** Enter the total sales and compensating use tax from the quarter immediately preceding the most recently completed quarter and the month/year when the quarter ended.

**Example:** For the quarter ended 2/07, the figure is \$87,500.

**Line d** Enter the total sales and compensating use tax from the same quarter as in line c for the prior year and the month/year when the quarter ended.

**Example:** For the quarter ended 2/06, the figure is \$175,000.

**Line e** Enter the **total of line a and line c.**

**Example:** The figure for this line is **\$150,000**. Line a is \$62,500 for the quarter ended 5/07, and line c is \$87,500 for the quarter ended 2/07.

**Line f** Enter the **total of line b plus line d.**

**Example:** The figure for this line is **\$325,000**. Line b is \$150,000 for the quarter ended 5/06, and line d is \$175,000 for the quarter ended 2/06.

**Line g** Enter the amount derived by dividing line e by line f. This amount must be less than 50% (0.5) in order to satisfy the first of two statutory hardship exemption criteria. The percentage must be calculated to **three** decimal places.

**Example:** The line e figure of \$150,000 is divided by the line f figure of \$325,000, which equals **.462**.

**Line h** Enter the total sales and compensating use tax for the two quarters that immediately preceded the two most current quarters (lines a and c) and the month/year when each quarter ended.

**Example:** The two most recent quarters (ending 5/07 and 2/07) were preceded by the quarters ending 11/06 and 8/06. The total sales tax for these quarters was **\$175,000**.

**Line i** Multiply line g by line h and enter the result.

**Example:**  $.462 \times \$175,000$  equals **\$80,850**.

**Line j** **Add line e and line i.** This total must be less than \$250,000 in order to satisfy the second statutory hardship exemption criterion.

**Example:** The total of line e and line i is **\$230,850**.

Mark an **X** in the box next to each exemption criterion that has been met. In order to qualify for hardship exemption consideration, both criteria must be met. XYZ Corporation has met both hardship exemption criteria.

### Certification section

This form must be signed and dated by an individual authorized to act on behalf of the vendor. The fact that an individual's name is signed on the certification will be prima facie evidence that the individual is authorized to sign and certify this information.

**Note:** If you are a required participant in the EFT program for more than one tax, exemption from participation in the program for one tax type **does not** release you from mandatory participation in the program for any other tax for which you may qualify. You must demonstrate hardship for each individual tax by submitting the applicable exemption form.

The completed form should be mailed to:

**NYS TAX DEPARTMENT  
PROMPTAX — SALES TAX  
W A HARRIMAN CAMPUS  
ALBANY NY 12227**

### Need help?



**PromptTax Internet access:** [www.nystax.gov/prompt](http://www.nystax.gov/prompt)



**Telephone assistance** is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

**PromptTax Customer Service Center:** (518) 457-2332  
In-state callers without free long distance: 1 800 338-0054