

**New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau**

TSB-M-82 (6)M
Stock Transfer Tax
July 9, 1982

Subject: Stock Transfer Tax Rebate Program
Stamp Users

Effective on and after October 1, 1981 all taxpayers are eligible for a one hundred percent rebate of the stock transfer tax. Also, effective this date, legislation permits the filing of a rebate claim based on the purchase of stock transfer tax stamps. The rebate procedures have been revised to reflect these changes.

STOCK TRANSFER TAX - REBATE PROCEDURES

**Payment of Stock Transfer Tax by
Adhesive Stamps or Stamp Tax Meter**

PURCHASE OF STAMPS

1. The taxpayer or taxpayer's agent (stamp purchaser) purchases stock transfer tax stamps at either the fiscal agent bank or a sub-agent bank.
 - a. At the fiscal agent bank, the purchaser completes Bank of New York form 1-210-0027, Requisition for Tax Stamps. With the tax stamps, the purchaser receives a receipt stating the date, transaction number and amount of stamps purchased.
 - b. At the sub-agent bank, the purchaser completes Form MT-665.1, Requisition of Tax Stamps. With the stamps, the purchaser receives part 2 of the form stating the date, transaction number and amount of stamps purchased.
2. Taxpayers utilizing a tax meter must have their meters set by the fiscal agent; the Bank of New York. The meter user must bring the meter, a meter record book (Form MT-671), a completed Form MT-673 in triplicate and a remittance to the bank. The third copy of Form MT-673 is the meter user's receipt of purchase.

PAYMENT OF THE TAX BY USE OF STAMPS

1. The tax is paid by affixing and cancelling the tax stamps.
2. Tax stamps must be affixed as follows:
 - a. in the case of a sale effected by delivery of a certificate endorsed in blank, to a bill or memorandum of sale;
 - b. in the case of a transaction effected by delivery of a certificate, other than a sale of a certificate endorsed in blank, to the certificate surrendered;

- c. in the case of an agreement to sell, to a bill or memorandum of sale;
 - d. in the case that evidence of the transaction is shown only by books of the corporation, to such books.
3. To be considered cancelled, stamps must be initialed by the person affixing them and must bear the date they are attached. Also, the stamps should be mutilated in such a manner so that they cannot be used again.

REBATE OF TAX PAID BY TAX STAMPS

1. Method I-Rebate claim based upon purchase of Tax Stamps.
- a. On each sale of tax stamps, the fiscal agent or sub-agent bank furnishes the taxpayer or the taxpayer's agent with form MT-658, Claim for Stock Transfer Tax Rebate, Stamp Purchases.
 - b. The bank completes its section of the claim indicating its name, person filling the stamp order, date stamps were purchased, transaction number and value of stamps purchased.
 - c. The taxpayer or taxpayers' agent completes the claimant section of the claim and certifies that the stamps are to be used to denote the tax payment on taxable transactions and that this evidence is maintained by the claimant and is available for inspection by representatives of the State Tax Commission.
 - d. Taxpayers or their agents attach the original purchase receipt to the claim and must file the claim within two years of the purchase date with the State Tax Commission.
 - e. An agent filing this claim does not charge its clients the tax, but assumes the tax liability until it receives the rebate from the State.

PLEASE NOTE:

Stock Transfer Tax Stamps must continue to be affixed and cancelled to denote the payment of the tax as stated in the section Payment of the Tax by Use of Stamps above. Failure to comply with this requirement shall constitute prima facie proof of non-payment of the tax and the transaction shall be subject to the penalties imposed by Article 12 of the Tax Law. Penalties are not rebatable.

or

2. Method II-Rebate claim based on the cancellation of Tax Stamps.
- a. Taxpayers apply for a rebate by filing Form MT-656; Stamp Users Rebate Application with the State Tax Commission. Claims must be presented within two years from the date the tax stamps are affixed and cancelled.
 - (1) If the tax stamps were purchased, affixed and cancelled by the taxpayer's agent, an original affidavit form MT-656.1, Agent's Certification, executed by said agent must be attached to the rebate claim (MT-656) to substantiate payment of the tax. From

the information provided by the agent, the taxpayer completes Part B of the Claim.

- (2) An agent is permitted to file an aggregate rebate claim for tax stamps it has affixed and cancelled on behalf of its clients. The agent is required to complete Part A of the Claim for the period covered by the claim.

In filing an aggregate claim, the agent does not charge its clients the tax but, assumes the tax liability until it receives the rebate from the State.

3. The amount of taxes paid allowable as rebate on transactions on and after October 1, 1981, is 100 percent.
4. Claims for rebate may be submitted anytime during the two year period defined in Method I and II. Upon denial of a claim, in whole, or, in part, a claimant has 30 days from the mailing of a Notice of Determination to apply for a hearing with the State Tax Commission.
5. The New York State Division of Treasury is authorized to release rebate checks when the statutory procedure allowing the rebate payments are completed. Checks are issued by the first business day of each calendar quarter for those claims approved and processed during the preceding quarter.

STOCK TRANSFER TAX RATES

<u>Selling Price</u>	<u>Tax Rate per 100</u>
\$20.00 and over	\$ 5.00
\$10.00 - \$19.99	\$ 3.75
\$ 5.00 - \$ 9.99	\$ 2.50
under \$5.00	\$ 1.25
Maximum Tax on Sale	\$ 350.00
No sale Transactions	\$ 2.50