

Sales Tax Credit for Clean Fuel School Buses

New York School Bus Contractors Assoc.

A.8717-A by Assemblyman Gantt (same as) S.4878 by Senator Valesky

The New York School Bus Contractors Association, which represents over 200 bus companies, manufacturers, and dealers employing over thirty thousand people (union and non-union) across the state, supports A.8717 by Assemblyman Gantt (same as) S.4878 by Senator Valesky. **Original bill passed the Senate in 2007 and 2008 – the Assembly reported it to Rules in 2008 – extraordinary circumstances affected the bill's passage in 2009.**

The bill is an act to amend the tax law in relation to providing certain school bus operators with a refund or credit of sales and compensating use taxes on the purchase of school buses, equipment and fuel used in the operation of a school bus.

Creates an Incentive:

The sales tax credit for the purchase of clean-fuel school buses, which cost over 20 percent more than conventional buses, will **incentivize the industry to purchase new clean-technology buses** and help defray the costs of the 2007 and 2010 government-mandated standards.

Environmentally Friendly Mass Transit:

School bus companies/contractors are **the only land-based mass transit provider that still pays sales tax in New York State**. Transit buses and private coach buses, also known as Omni Buses under NYS Tax Law, pay no sales tax. It is hard to imagine why private school bus companies still pay sales taxes in New York State when one considers that the per-passenger-mile operating cost of school buses is about one third that of subsidized transit buses and about 28% of the cost of private coaches.

Increased Revenues to NYS:

If passed and signed into law, A.8717/S.4878 will not affect the state's current fiscal year and it will actually increase revenues in the first four years of its gradual implementation. The industry conservatively estimated that the **sales tax credit will increase state income tax revenue by over \$1.3 million** over the first four years of its implementation for two reasons: first, the industry will purchase more buses than previous years and second, because new clean-fuel school buses cost over 20% more than conventional buses.

Controlling Property Taxes:

School transportation services provided by private school bus contractors cost significantly less than public school transportation services and save local taxpayers millions of dollars each year.

NY School Bus Companies/Contractors:

Private school bus companies employ over 35,000 people statewide providing safe working environments, highly competitive wages and benefits in union and nonunion workplaces. There are over 200 private bus companies safely transporting over 1.3 million children in 28,000 buses everyday to over half of the public schools in New York State.

Environmental Facts:

New diesel engine standards make today's buses 98% cleaner than buses manufactured just two decades ago. Today's diesel fuels contain 97% less sulfur than the diesel fuels sold just a few years ago. One school bus replaces an average of 36 cars and saves 4,800 gallons of fuel per bus per year.



Karen Paquette

President
NYSBCA
830 South Pearl Street
Albany, NY 12202

Contact:
518-598-0600

Andre Claridge

Government Affairs
111 Washington Ave.
Albany, NY 12210

Contact:
518-424-2575

www.nysbca.com