

To: Putnam County Legislature

FROM: Kevin M. Byrne
County Executive

DATE: October 5, 2023

RE: Proposed Resolution Providing an Exemption from Sales Tax for certain Clothing and Footwear

Please see on the next page a draft resolution for your consideration, providing an exemption from sales tax for certain clothing and footwear in Putnam County pursuant to Article 29 of the New York State Tax Law. Included for review are additional documents from the NYS Tax and Finance with greater detail on the program, including statutory deadlines for submission to the state and examples of eligible purchases.

By electing to adopt this year-round exemption, clothing and footwear, as well as certain items used to make or repair exempt clothing, sold for less than \$110 per item or pair are exempt from the County 4% sales tax and the 3/8% Metropolitan Commuter Transportation District (MCTD) tax in addition to being already exempt from the 4% New York State sales tax. In addition to New York State, New York City and nine counties in the state have opted into this program, which now has the potential for much greater financial relief for Putnam County residents due to the 2018 South Dakota v. Wayfair decision in the U.S. Supreme Court concerning online sales tax.

The 2024 Tentative Budget accounts for the adoption of this resolution.

If passed within required state deadlines, this resolution would be effective on March 1st, 2024, in accordance with New York State Tax Law. However, New York State requires that any county who enacts this resolution must send a certified copy to the Commissioner of Taxation and Finance postmarked at least 90 days prior to March 1st. As such, I am respectfully requesting this resolution be considered during the next Audit Committee meeting on October 26th, with the intention of it reaching the floor on the next full Legislative Committee meeting scheduled in November.

RESOLUTION
of the

Legislature of the County of Putnam, providing an exemption from sales and compensating use taxes for receipts from retail sales of, and consideration given or contracted to be given for, certain clothing and footwear, pursuant to the authority of Article 29 of the Tax Law of the State of New York.

Be it enacted by the Legislature of the County of Putnam, as follows:

SECTION 1. Subdivision (a) of section six of Resolution No. 85, of 1977, as amended, is amended by adding a new paragraph (19) to read as follows:

(19). Clothing and footwear described in paragraph (30) of subdivision (a) of section 1115 of the New York Tax Law.

SECTION 2. This resolution shall take effect March 1, 2024, and shall apply in accordance with applicable transitional provisions of the New York Tax Law.