



# Application for a Direct Payment Permit

Read the instructions on page 2 before completing.

|  |                             |                            |
|--|-----------------------------|----------------------------|
| Legal name (as it appears on the Certificate of Authority) | Telephone number<br>(     ) | For office use only        |
| Street address   |                             | Permit number<br><b>DP</b> |
| City, state, ZIP code                                      |                             | Effective date             |
| Sales tax identification number                            |                             |                            |

1 Describe type of business conducted:

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2 Attach a statement of facts (see instructions).

**Certification:** I, \_\_\_\_\_, the applicant named above, or partner, officer, or other authorized representatives of such applicant, do hereby:

- request a direct payment permit in order to pay the tax on taxable materials and services directly to the Department of Taxation and Finance at the time of use, rather than to the vendor at the time of purchase and to include such payments with the quarterly or part-quarterly (monthly) sales and use tax return;
- certify that a place of business is maintained within New York State;
- certify that timely returns have been filed and all taxes due have been paid for the four (4) quarterly sales tax reporting periods prior to the date of this application; and
- understand that:
  - (a) taxes must be collected on taxable sales and reported on Forms ST-100, ST-809, or ST-810;
  - (b) a tax status determination of the property or service purchased must be made by the permit holder on the date upon which the property or service is used, and tax remitted (where due) for the appropriate period;
  - (c) all substantiating records will be kept in the files for at least three (3) years after the date of the quarterly return to which they relate;
  - (d) a direct payment permit can be revoked upon failure to keep the above records and file timely sales tax returns with the payment of the taxes due or for any violation of the New York State Sales and Use Tax Law. I also understand that interest and penalty charges will be imposed for failure to make timely payments of all sales and use taxes due; and
  - (e) a direct payment permit may not be used:
    - as a device to defer payment of the sales tax on purchases;
    - as a substitute for a resale certificate or other exemption certificates; or
    - as a device to transfer the permit holder's privileges to another person.

|                                     |  |      |
|-------------------------------------|--|------|
| Applicant's name (print)            | Title                                  | Date |
| Applicant's signature               |  |      |
| Representative's signature (if any) | Representative's identification number | Date |

## Instructions

### General information

A direct payment permit allows eligible businesses to pay sales tax directly to the Tax Department instead of paying tax to a seller. The permit was designed for businesses that are unable to determine at the time of a purchase how otherwise taxable property or services will be used. For more information, see Tax Bulletin *Direct Payment Permits* (TB-ST-163).

**Note:** A direct payment permit is not the same as a sales tax exemption certificate. An exemption certificate allows a business to make tax-free purchases that would otherwise be subject to sales tax. For more information, see Tax Bulletin *Exemption Certificates for Sales Tax* (TB-ST-240).

### Eligibility

To be eligible for a direct payment permit, a business must:

- be registered for sales tax purposes;
- maintain a place of business in New York State;
- have filed all required returns and paid all taxes due on time for the four preceding sales tax quarters immediately prior to applying for the permit (an exception applies to a new business that has not yet filed returns); and
- be unable to determine at the time of purchase how otherwise taxable property or services will be used.

The Tax Department will issue a specifically numbered direct payment permit to an approved business for use when making qualifying purchases. If an application is not approved, the business will be notified by mail.

**Note:** Approved businesses must file quarterly or (if required) part-quarterly (monthly) sales tax returns.

### Specific Instructions

Enter the legal name, telephone number, address, and sales tax identification number at the top of the application. **Do not** make any entries in the spaces indicated for permit number and effective date.

**Line 1 Describe type of business conducted** – Clearly describe the type of business conducted.

**Line 2 Attach a statement of facts** – It must include:

- the specific reasons a direct payment permit is needed;
- a description of the method to be used to account for use tax, including the types of records that will be kept;
- if currently an annual sales tax return filer, a request to be switched to a quarterly filing frequency; and
- any other facts that the applicant would like us to consider as a basis for issuing the permit.

**Be sure to keep a copy of your completed application for your records.**

### Where to file your application

Mail this form and all required documentation to:

**NYS TAX DEPARTMENT  
TFAB – SALES TAX  
W A HARRIMAN CAMPUS  
ALBANY NY 12227-9340**

**Private delivery services** – See Publication 55, *Designated Private Delivery Services*.

### Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

### Need help?



Visit our website at [www.tax.ny.gov](http://www.tax.ny.gov)

- get information and manage your taxes online
- check for new online services and features



#### Telephone assistance

**Sales Tax Information Center:** (518) 485-2889

To order forms and publications: (518) 457-5431

**Text Telephone (TTY) Hotline** (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



**Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.