



Revised Policy Concerning the Application of the Sales Tax Exclusion for Certain Transportation Services Provided by an Affiliated Livery Vehicle in New York City

This memorandum explains the Tax Department's revised policy concerning the application of the sales tax exclusion for certain transportation services provided by an affiliated livery vehicle in New York City.

New York State and local sales taxes (sales tax) apply to the charges for certain transportation services. (See [TSB-M-09\(2\)S](#), *Sales Tax Imposed on Certain Transportation Services*, and [TSB-M-09\(7\)S](#), *Additional Guidance Relating to the Sales Tax on Certain Transportation Services*.) Chapter 57 of the Laws of 2010 amended the Tax Law to exclude charges for certain transportation services provided by affiliated livery vehicles in New York City from the sales tax on transportation services.

This exclusion was described in [TSB-M-10\(15\)S](#), *Sales Tax on Certain Transportation Services Amended to Exclude Livery Service Provided by an Affiliated Livery Vehicle in New York City*. In that TSB-M, the Tax Department interpreted the exclusion as only applying to charges for transportation services provided by affiliated livery vehicles for trips wholly within New York City. Therefore, as interpreted by the department, the exclusion only applied to charges for trips that both begin **and** end in New York City.

Revised policy

The department has reconsidered this interpretation so that the exclusion will also apply to charges for transportation services provided by affiliated livery vehicles for trips that either begin **or** end in New York City. For example, under this new interpretation, charges for transportation services provided by affiliated livery vehicles for trips that begin in New York City and end in Nassau County are now excluded from sales tax. Similarly, charges for transportation services that begin in Nassau County and end in New York City are also excluded from sales tax. In addition, the exclusion from sales tax for trips that both begin and end in New York City remains in effect.

Effective date

The revised policy is effective for charges for transportation services provided by affiliated livery vehicles on or after March 1, 2013. Taxpayers are not eligible to apply for a refund of any sales tax that was properly collected and remitted based on the policy that was in effect before March 1, 2013.

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.