

1985 LEGISLATION - CHAPTER 330

EXEMPTION FROM NEW YORK CITY ADDITIONAL TAX ON  
PARKING, GARAGING AND STORING OF MOTOR VEHICLES

Effective September 1, 1985, New York City will begin a parking tax exemption program authorized by Chapter 330 of the Laws of 1985. This chapter exempts certain residents of New York County (Manhattan) from the "additional 8% sales tax" imposed on the services of parking, garaging or storing of motor vehicles within New York County. This enactment does not affect the general New York City 6% tax on parking imposed by Section 1107 of Article 28 of the Tax Law.

To be eligible for exemption, sales of these services must be made to an individual resident, and such services must be rendered on a monthly or longer basis. Additionally, the services must be rendered at the principal location for the parking, garaging or storing of a motor vehicle owned by such individual resident.

For purposes of this exemption, the following definitions will apply:

Individual resident means a natural person who maintains a permanent place of abode in New York County (Manhattan) in which the additional 8% sales tax is imposed, such place of abode being the person's primary residence.

Permanent place of abode means a dwelling place permanently maintained by an individual, whether or not owned by such individual. It will generally include a dwelling place owned or leased by the individual's spouse. A place of abode is not deemed permanent if maintained only during a temporary stay for the accomplishment of a particular purpose.

Primary residence means the dwelling place which is a permanent place of abode and where an individual resides or intends to reside more than 183 days in the 12 months following the date of the application for exemption.

Principal location for the parking, garaging or storing of a motor vehicle means the parking facility where the motor vehicle is parked, garaged or stored the majority of the time. If an individual resident garages a motor vehicle on a monthly or longer term basis both near his or her primary residence and his or her place of employment, then the location near the primary residence will be deemed the principal location.

Motor vehicle means a motor vehicle registered by an individual resident pursuant to the vehicle and traffic law at the address of such individual's primary residence in New York County, and not used in carrying on any trade, business or commercial activity. The term includes passenger and suburban vehicles, trucks, motorcycles and recreational vehicles.

For purposes of implementing the exemption of individual residents from the additional 8% sales tax, the State Tax Commission has authorized the Commissioner of Finance of the City of New York to develop and administer reasonable and necessary procedures for determining entitlement to such exemption, including the use of a special exemption certificate to be presented to vendors. Additionally, the Commissioner of Finance is authorized to prescribe, subject to the approval of the State Tax Commission, rules and regulations necessary and appropriate to carrying out its responsibilities in this regard.

Any person not meeting the requirements for exemption from the "additional tax", who wrongfully obtains or uses a Certificate of Exemption shall be subject to the following penalties in addition to any tax due:

- (1) not more than \$100. if the certificate is obtained or used through negligence.
- (2) not more than \$500. if the certificate is obtained or used through fraud.

These penalties will be in addition to any other penalty imposed by Article 28 of the Tax Law.

An individual resident shall not be entitled to a refund or credit of any additional parking tax which was paid to a vendor before such resident presented a special valid certificate of exemption to the vendor.

The 6% sales and use tax on parking, garaging or storing charges required to be collected from residents of Manhattan, who qualify for the 8% exemption, should be reported on Schedule N under Code 6020.

Any questions regarding the Parking Tax Exemption should be directed to the following:

By Mail: N.Y.C. Department of Finance  
Parking Tax Exemption Section  
151 West Broadway, Room 200  
New York, New York 10013

By Phone: (212)-306-5707