

## **New Rules Regarding Highway Use Tax Permits and Stickers**

Based on a change in Federal law (Public Law 109-59) and its interpretation by the Federal Motor Carrier Safety Administration, effective immediately, motor carriers subject to the highway use tax imposed under Article 21 of the Tax Law, are no longer required to either **display** highway use tax stickers or to **carry** highway use tax permits in their motor vehicles.

Please note that this change does not relieve a carrier's obligation to file returns and pay the highway use tax. The revenue from this tax is pledged to the Dedicated Highway and Bridge Trust Fund and is used exclusively to construct, maintain, and repair the State's highways and bridges to ensure they are in a safe condition for motor carriers and motorists in New York State.

Motor carriers must still obtain highway use tax permits for motor vehicles subject to the highway use tax. However, stickers will no longer be provided with the permits. Carriers should retain the permits, even though they are no longer required to be carried in the vehicles, to assist them in filing highway use tax returns and paying the tax. These new rules apply to all types of permits (e.g., automotive fuel carrier permits, trip permits). The fees for all permits remain the same.

It should be noted that at the time this memorandum was issued, the Executive Budget proposal contains legislative amendments to Article 21 which will eliminate the permit and sticker requirements. In lieu of permits and stickers, the proposed legislation will require motor carriers to apply for a certificate of registration for each motor vehicle subject to tax. It also provides that rather than obtaining a certificate of registration, a carrier may opt to continue to use the existing highway use tax permits and stickers until such time as the Commissioner requires a renewal registration of vehicles.