

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-87(10)M  
Highway Use Tax  
December 10, 1987

Highway Use Tax Law Amended

Chapter 755 of the Laws of 1987 has amended sections 502, 503 and 503-a of the Highway Use Tax Law (Article 21) as follows:

- a) § 502(1)(d) is added to provide for trip permits and is effective October 1, 1987,
- b) § 503(3) is amended by charging certain tax rates under the unloaded weight method for tractors effective October 1, 1987 and
- c) § 503-a(2) is amended by changing the fuel use tax calculation when a carrier has inadequate records effective April 1, 1988.

(See TSB-M-87(16)S for information on sales tax exemptions for the purchase and maintenance of tractors, trailers and semitrailers also added by Chapter 755.)

The following is an explanation of the amendments:

a) Trip Permit - The Highway Use Tax Law now provides for the issuance of a trip permit. The trip permit is valid for a 72-hour period and may not be extended by Saturdays, Sundays or public holidays. It may be used for trucks, tractors and omnibuses in lieu of the Highway Use Tax ("HUTTY) permit and sticker issued pursuant to Section 502(1)(a) of the Tax Law, but may not be used for trucks and trailers in lieu of the Automotive Fuel Carrier ("AFC") permit and sticker issued pursuant to Section 502(1)(c) of the Tax Law which allows carriers to haul automotive fuel. Automotive fuel includes gasoline, propane, diesel, kerosene, home heating oil #2, aviation gas, kerojet fuel, etc.

A carrier may obtain a trip permit from a permit service authorized by the Department of Taxation and Finance to issue trip permits or by completing and submitting Form TMT-1.17, Application for 72-Hour Trip Permit. If the latter method is used, a carrier must apply at least 30 days before the 72-hour period. A separate application must be made for each trip permit. A \$25.00 permit fee must be submitted with each application. Payment must be made by certified check (or other guaranteed draft acceptable to the Department) or money order payable to the "Commissioner of Taxation and Finance". A carrier may not apply for more than 10 trip permits during a single calendar year.

A carrier must specify the motor vehicle for which the trip permit will be used including the vehicle's complete manufacturer's serial number. Vehicles manufactured after 1980 must have serial numbers of 17 characters. The beginning time and date of the 72-hour period must be stated on the application form.

The Department may deny a trip permit without a hearing if a carrier has failed to file any Combined Truck Mileage and Fuel Use Tax Return (Form MT-903) as required by Section 505 of the Tax Law or pay any monies due under Article 21 of the Tax Law. If a carrier has violated any other provision under Article 21, the application for a trip permit may be denied.

Such denial may be protested by filing a Request for Conciliation Conference or by filing a Petition for a Tax Appeals Hearing. In the event a carrier is denied a trip permit, the permit fee will be returned to the carrier. The suspension or revocation of a highway use permit automatically results in the suspension or revocation of all permits issued to a carrier and will also result in the denial of a trip permit.

The trip permit must be carried in the motor vehicle for which the permit is issued during the 72-hour period it is in effect.

The carrier is exempt from filing returns and paying Truck Mileage and Fuel Use Taxes on the operation of the motor vehicle for which a trip permit is issued for the effective period of the trip permit. No credit may be claimed on a Fuel Use Tax return for fuel consumed in a motor vehicle operating under a trip permit. A copy of the trip permit must be retained for four years in order to prove any claim for such exemption. No refund application may be filed because of a trip permit application.

b) Unloaded Weight Method Tax Rate Changes for Tractors - The following is the amended tax rate table for the unloaded weight method for tractors for any taxable period beginning after September 30, 1987:

<u>Unloaded Weight of Tractor</u>	<u>Tax Rate</u>
1. 4,001 to 5,500 inclusive . . . . .	\$.006 (no change)
2. 5,501 to 7,000 inclusive . . . . .	0.010 (no change)
3. 7,001 to 8,500 inclusive . . . . .	0.014 (no change)
4. 8,501 to 10,000 inclusive . . . . .	0.018 (no change)
5. 10,001 to 12,000 inclusive . . . . .	0.025 (previously 0.022)
6. 12,001 and over . . . . .	0.033 (previously 0.027)

These rate changes are intended to create parity between the unloaded weight method and the gross weight method of calculating the Highway Use Tax.

c) New Fuel Use Tax Calculation for Inadequate Records - Effective April 1, 1988 the rate at which the Fuel Use Tax will be calculated if a carrier's records are inadequate to determine the actual rate of consumption has been reduced for diesel motor fuel from five miles per gallon to four miles per gallon, and for motor fuels other than diesel (e.g., gasoline) from five miles per gallon to three miles per gallon.