

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

TSB-M-95 (15) M
Article 21
September 22, 1995

1996 Truck Mileage Tax Law Changes for Motor Carriers

Currently, under the Highway Use Tax (Article 21 of the Tax Law), New York State imposes both a truck mileage tax and a fuel use tax on carriers that operate motor vehicles with a gross weight of more than 18,000 pounds that travel on the public highways of New York State. Beginning January 1, 1996, changes to both the truck mileage tax and the fuel use tax portions of the Highway Use Tax will take effect.

Beginning January 1, 1996, mileage on the toll-paid portion of the New York State Thruway will not be subject to the truck mileage tax imposed under Article 21 of the Tax Law.

This memorandum deals primarily with the changes to the truck mileage tax. For more information concerning changes to the fuel use tax that will take effect on January 1, 1996, see TSB-M-95(14)M.

General Information

Beginning January 1, 1996, New York State will become a participating member of the International Fuel Tax Agreement (IFTA). As a result, the fuel use tax will be imposed under a new Article 21-A of the Tax Law. The truck mileage tax, however, will continue to be imposed under Article 21 of the Tax Law. **All carriers that operate in New York must continue to report and pay the truck mileage tax on Form MT-903, Highway Use Tax Return, regardless of any fuel use tax reporting requirements (IFTA or non-IFTA).** Every motor vehicle -- unless specifically exempted from the truck mileage tax -- with a gross weight of more than 18,000 pounds that travels on New York State public highways is subject to the truck mileage tax. Each vehicle subject to the truck mileage tax must have a highway use tax permit and sticker.

Elimination of Tax on Thruway Mileage

Effective January 1, 1996, the truck mileage tax is not imposed for mileage traveled on the **toll-paid** portion of the New York State Thruway. The toll-paid portion of the Thruway includes:

- Interstate Route 95 (I-95) from the Bruckner Expressway interchange in the Bronx north to the Connecticut state line;
- 1-87 from the New York City/Yonkers city line north to exit 24 at Albany;
- The connection from exit 21-A of 1-87 at Selkirk east to exit B-1 of I-90, then on to the Massachusetts state line (Berkshire section) (1-90 from exit 24 at Albany east to exit B-1 of the Berkshire section is not part of the Thruway system);
- 1-90 from exit 24 at Albany west to the Pennsylvania state line;
- 1-90 from exit 53 of I-90 north to the Robert Moses Parkway; and

- The Garden State Parkway Connection from exit 14-A off I-87 at Spring Valley south to the New Jersey state line.

For additional information regarding Thruway mileage, see TSB-M-95(6)M. Revised 1996 reporting forms that reflect this change will be sent to taxpayers in time for filing.

Beginning January 1, 1996, if a carrier has a motor vehicle that travels in New York solely on the New York State Thruway, the carrier will not be required to obtain a highway use tax (HUT) permit and sticker for truck mileage tax purposes for that vehicle. However, the permit and sticker may still be required for purposes of the fuel use tax. For 1996, those carriers not required to obtain an IFTA license and decals will be able to use their existing 15th series highway use tax permits and stickers to satisfy the license and decal requirements of the fuel use tax. The existing 15th series highway use tax permits and stickers will also remain valid for truck mileage tax purposes for non-Thruway mileage in New York.

Truck Mileage Tax Trip Permits

If a non-New York based carrier travels only occasionally in New York State and does not want to get a highway use tax permit and sticker for a particular motor vehicle, the carrier must purchase a truck mileage tax trip permit for that vehicle's travel in New York. The trip permit exempts a carrier from reporting and paying the truck mileage tax on the mileage traveled by the vehicle for the effective period of the permit. A truck mileage tax trip permit is not required for travel in New York solely on the toll-paid portion of the New York State Thruway.

If the vehicle is also subject to the fuel use tax (Article 21-A), and the carrier does not want to get a New York fuel use tax license or an IFTA license issued by its base jurisdiction, a separate fuel use tax trip permit must also be purchased for that vehicle's travel in New York. This trip permit exempts a carrier from reporting and paying the fuel use tax on the mileage traveled by the vehicle for the effective period of the permit.

Truck mileage tax trip permits and fuel use tax trip permits may each be used for trips of up to 72 hours. The cost of **each** trip permit is **\$25**.

In most instances, a carrier will be subject to both the truck mileage tax and the fuel use tax for travel in New York. Therefore, the carrier will be required to purchase both a truck mileage tax trip permit and a fuel use tax trip permit.

Application for truck mileage tax trip permits and fuel use tax trip permits may be made to the Tax Department 30 days prior to travel into New York. The permits may also be purchased from a permit service company at any time prior to travel into New York. If a permit is purchased from a permit service company, the company will charge a fee for its service in addition to the cost of the permit.