



Sales and Use Tax Exemption for Motor Vehicles Purchased Out-of-State by Military Service Members

Legislation enacted in 2013, amended the Tax Law to provide an exemption from New York State and local sales and use taxes (New York State sales and use taxes) for motor vehicles purchased in another state by a person while in the military service of the United States, upon proof that tax was paid to another state in order to obtain title.

Chapter 534 of the Laws of 2013 amended the Tax Law to provide an exemption from New York State sales and use taxes, as described below, for a *motor vehicle*¹ purchased in another state by a person while in the military service of the United States. This new law took effect December 18, 2013, and applies to uses occurring on or after that date.

Prior to December 18, 2013, a New York State resident who purchases a motor vehicle in another state becomes liable for New York State sales and use taxes when the vehicle is brought into New York State. The new law allows military service members, upon their return to New York, an exemption from New York State sales and use taxes when he or she can show proof that tax was paid to another state in order to obtain title to the motor vehicle. In order to qualify for the exemption, the military service member (or former member) must have purchased the vehicle while in the military service of the United States and have proof when registering the motor vehicle in New York State of tax paid to another state (whether the payment was made by the seller or the purchaser). A receipt from the other state showing payment of sales, use, excise, usage, or a highway use tax on the purchase of the vehicle is considered proof of tax paid to another state.

How to claim the exemption

Military service members who purchase a motor vehicle that qualifies for the exemption explained above must submit a properly completed [Form DTF-803](#), *Claim for Sales and Use Tax Exemption - Title/Registration*, to the New York State Department of Motor Vehicles upon registration of the vehicle. Military service members must mark an X in box 12a of Form DTF-803, complete the information required by that form, and be able to show military ID or other documentation as proof of military service.

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.

¹ The term *motor vehicle* is defined in section 125 of the Vehicle and Traffic Law and includes vehicles such as cars, trucks, vans, and motorcycles.