



## Special Taxes on Peer-to-Peer Car Sharing

Effective September 1, 2022, Tax Law Article 28-D imposes new taxes on the [gross receipts paid by a shared vehicle driver](#) for use of a [shared vehicle](#) under a peer-to-peer car sharing program<sup>1</sup> in New York State. *Peer-to-peer car sharing* means the authorized use of a shared vehicle by an individual other than the vehicle's owner through a [peer-to-peer car sharing program](#).

These taxes are in addition to the state and local sales and use taxes imposed under Tax Law Articles 28 and 29.

### What are the new peer-to-peer car sharing taxes

A state-wide **peer-to-peer car sharing tax** of 3% is due on the gross receipts paid by the shared vehicle driver for the use of a shared vehicle when the shared vehicle driver takes possession of the shared vehicle in New York State.

In addition to the state-wide peer-to-peer tax, one of the following taxes is also due:

- **regional transportation tax** of 3% on the gross receipts paid by the shared vehicle driver for use of a shared vehicle when the shared vehicle driver takes possession of the shared vehicle within New York State but outside of the MCTD, or
- **Metropolitan Commuter Transportation District (MCTD) tax** of 3% on the gross receipts paid by the shared vehicle driver for use of a shared vehicle when the shared vehicle driver takes possession of the shared vehicle within the MCTD.

The MCTD includes New York City and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

It is presumed that every transfer of possession of a shared vehicle to a shared vehicle driver anywhere in New York State is subject to the special taxes on peer-to-peer car sharing until the contrary is established.

### Collecting the tax and filing returns

The special taxes on peer-to-peer car sharing are administered in the same manner as the sales and use taxes imposed by Tax Law Articles 28 and 29.

The [peer-to-peer car sharing program administrator](#), as trustee for and on account of New York State, will collect the tax from the shared vehicle driver when collecting the gross receipts to which it applies.

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<sup>1</sup> General Business Law Article 40, Peer-to-Peer Car Sharing Programs.

The peer-to-peer car sharing program administrator has all the same obligations and rights as a sales tax vendor, including but not limited to:

- obtaining a Certificate of Authority;
- collecting tax, filing returns, and remitting tax due;
- the right to accept a sales tax certificate or other documentation substantiating an exemption or exclusion from tax; and
- the right to receive a refund as authorized by the Tax Law.

The special taxes on peer-to-peer car sharing must be reported and paid on the sales tax return filed by the peer-to-peer car sharing program administrator. The *special taxes* section of the periodic sales tax returns will include the following lines for reporting:

- peer-to-peer car sharing (outside the MCTD) **6%**
- peer-to-peer car sharing (within the MCTD) **6%**

Use taxes corresponding to the statewide, MCTD, and regional transportation taxes described above are imposed at the rate of 3% on gross receipts paid or contracted to be paid by the shared vehicle driver for the use of a shared vehicle in New York State when these special taxes have not been collected by the administrator.

#### **Other Definitions<sup>2</sup>**

*Peer-to-peer car sharing program* means a program that facilitates the use or operation of a shared vehicle by a shared vehicle driver.

*Peer-to-peer car sharing program administrator* means the corporation, partnership, firm, institution, sole proprietorship, or any other entity or person responsible for operating, facilitating, or administering the means, digital or otherwise, by which a business platform facilitates a peer-to-peer car sharing program for financial consideration. A peer-to-peer car sharing program administrator does **not** include a person or entity engaged in the business of renting or leasing rental vehicles to be operated upon the public highways for carrying passengers or a non-profit or charitable organization that facilitates peer-to-peer car sharing in exchange for payment of a fee or for financial consideration.

*Shared vehicle* means a motor vehicle that is available for sharing through a peer-to-peer car sharing program that is both:

(a) used nonexclusively for peer-to-peer car sharing activity pursuant to a peer-to-peer car sharing program agreement; and

(b) not otherwise made available by the shared vehicle owner for use as a rental vehicle as defined in Vehicle and Traffic Law § 137-a.

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<sup>2</sup> Terms used in Tax Law Article 28-D have the same meaning as in General Business Law § 900, unless otherwise stated.

*Shared vehicle driver* means a driver, as defined in Vehicle and Traffic Law § 113, of a shared vehicle during the sharing period who has been authorized to use such shared vehicle pursuant to a peer-to-peer car sharing program agreement.

*Shared vehicle owner* means an owner, as defined in Vehicle and Traffic Law § 128, of a registered shared vehicle made available for use by shared vehicle drivers through a peer-to-peer car sharing program.

*Gross receipts paid by the shared vehicle driver* means all consideration paid or contracted to be paid by the shared vehicle driver for use of a shared vehicle, including optional charges and fees, except for separately stated charges for taxes, government-imposed fees, and airport facility fees, imposed on the shared vehicle driver.

[Chapter 129 of the Laws of 2022; Tax Law Article 28-D; General Business Law § 900]

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