

CHAPTER 484 - LAWS OF 1985

SALES TAX APPLICATION TO VESSEL REGISTRATION

Effective April 1, 1986, subdivisions (f) and (g) of section 1132 and subdivision (d) of section 1214 of the Tax Law are amended to provide that the word "motorboat" be deleted and replaced by the word "vessel" for purposes of registering and paying sales tax when due at the time of registration. Please note that exemption from registration does not indicate exemption from sales and use tax.

For purposes of this enactment, the definition of "vessel" will be the same as the definition given in the Vehicle and Traffic Law, section 2250.

" . . . A vessel shall be every description of watercraft, other than a seaplane, used or capable of being used as a means of transportation on water. A vessel propelled by an outboard motor shall include the hull, but shall not include the outboard motor."

A vessel is exempt from registration if it:

- (a) has a valid marine document issued by the United States or a foreign government, while being used for commercial purposes.
- (b) displays a valid identification or registration number issued by another state under a numbering system which has been approved in accordance with the provisions set forth in federal law, provided such vessel is not within New York State in excess of ninety consecutive days.
- (c) is owned by a resident of a foreign country temporarily using the waters of New York State.
- (d) is owned by the United States, a state, or a subdivision thereof.
- (e) is a lifeboat. No vessel used for other than lifesaving purposes shall be deemed a "lifeboat" for purposes of this enactment.
- (f) is used exclusively for racing.
- (g) is not equipped with a motor by which it may be mechanically propelled.

County clerks, when acting as agents of the State Tax Commission by collecting sales and use tax due at the time of registering a vessel, shall retain, from the taxes collected, 50 cents for each vessel registered. Until the sales or use tax has been paid, or until proof has been provided that no such tax is due, a registration certificate may not be issued for any vessel, except for a renewal by the same owner.