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## Motor Vehicles, Vessels, and Trailers

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### Introduction

Generally, the sale of tangible personal property in New York State is subject to sales tax at the rate in effect where the property is delivered to the purchaser. However, a special rule applies to sales (including leases) of motor vehicles, vessels, and trailers, which provides that the sales tax is imposed based on the tax rate in effect where the purchaser resides.

### Definitions

The term *motor vehicle* includes:

- cars,
- trucks,
- vans, and
- motorcycles.

The following are **not** considered to be motor vehicles:

- electronically-driven mobility assistance devices used by persons with a disability;
- snowmobiles;
- all-terrain vehicles;
- farm tractors and other farm equipment used exclusively for agricultural purposes or for snow plowing; and
- self-propelled caterpillar or crawler-type equipment, while operated on a construction site.

A *vessel* is any type of watercraft (other than a seaplane), including any inboard or outboard motor and any trailer sold with the vessel for use with the vessel. The term does **not** include a vessel that:

- weighs 200 pounds or less, including any mast and sail or other rigging;
- is not equipped with a motor; and
- is exempt from the requirement to be registered under the Vehicle and Traffic Law.

A *trailer* is any vehicle not propelled by its own power that is drawn on the public highways by a motor vehicle, except:

- motorcycle side cars;
- vehicles being towed by a non-rigid support; and
- vehicles designed and primarily used for other purposes and only occasionally drawn by a motor vehicle (e.g., a wood chipper mounted on a chassis, or an air compressor or generator mounted on wheels).

## Special rule for sales of motor vehicles, vessels, and trailers

The special rule for sales of motor vehicles, vessels, and trailers applies if the purchaser is:

- a **nonresident** of New York State; or
- a resident of a taxing jurisdiction in New York State **other than** the jurisdiction where the motor vehicle, vessel, or trailer is delivered.

In either case, the purchaser must submit a properly completed [Form DTF-820, Certificate of Nonresidency of New York State and/or Local Taxing Jurisdiction](#), to the seller at the time of sale in order to establish that the special rule applies.

If a purchaser does not submit [Form DTF-820](#), the seller must collect the sales tax at the rate in effect where the motor vehicle, vessel, or trailer is delivered to the purchaser (usually the rate in effect where the dealer's premises are located).

### Nonresidents

A **nonresident** purchaser is a purchaser that:

- does not have a permanent place of abode in this state;
- is not carrying on any employment, trade, business, or profession in this state in which the motor vehicle, vessel, or trailer will be used; and
- will not register the motor vehicle, vessel, or trailer in New York State (including any temporary registration).

Sales to nonresident purchasers are exempt from both state and local sales tax.

### Residents of another New York taxing jurisdiction

Sales to a purchaser who is a resident of a taxing jurisdiction in New York State **other than** the jurisdiction where the motor vehicle, vessel, or trailer is delivered are subject to sales tax at the rate in effect for the New York jurisdiction where the purchaser resides.

- If the purchaser is an **individual**, the applicable rate is the combined state and local rate in effect in the taxing jurisdiction where the purchaser has a permanent place of abode.
- If the purchaser is a **business**, the applicable rate is the combined state and local rate in effect in the taxing jurisdiction where the motor vehicle, vessel, or trailer will be principally garaged or moored.

To determine the correct rate of sales tax to charge, use our [Jurisdiction/Rate Lookup by Address](#).

**Caution:** Do not rely on the city or town name or the ZIP code used in the customer's mailing address, including the city or town name or ZIP code indicated on a purchaser's driver's license, as a shortcut for determining the appropriate sales tax rate. The use of postal ZIP codes for tax collection purposes results in a high degree of inaccurate tax reporting.

**Note:** A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

**References and other useful information**

**Tax Law:** Sections 1105(a), 1110, 1111(i), 1117, 1118, 1132, and 1214

**Regulations:** Section 527.15

**Publications:**

[Publication 750](#), *A Guide to Sales Tax in New York State*

[Publication 838](#), *A Guide to Sales Tax for Automobile Dealers*

**Memoranda:**

[TSB-M-95\(2\)S](#), *Sales of Motor Vehicles to Nonresidents and Motor Vehicle Registration by Nonresidents*

[TSB-M-01\(4\)S](#), *Summary of Recently Enacted Sales and Use Tax Legislation*

**Bulletins:** [Sales Tax Rates, Additional Sales Taxes, and Fees \(TB-ST-825\)](#)