



Household Movers and Warehouseurs - General (permanent) storage and portable storage containers

Introduction

This bulletin provides information on New York State and local sales taxes (sales tax) as they apply to household movers, warehouseurs and other storage facilities when they provide storage services. This bulletin:

- describes the kinds of storage services typically provided by movers and warehouseurs, and
- explains when movers and warehouseurs must collect sales tax on these services.

See also [Household Movers and Warehouseurs - Sales of moving services and related transactions \(TB-ST-341\)](#) for more information on moving services, including information on *storage in transit*.

Imposition of sales tax

New York State's sales tax is generally imposed on the receipts from every sale of tangible personal property and on the receipts from the sale of certain services. Sellers of storage services in New York must register for New York State sales tax purposes. See Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#).

Storage of tangible personal property is generally subject to sales tax in New York State. However, the rental of real property is not subject to sales tax. Also, storage services delivered to the purchaser outside of New York State are not subject to sales or use tax.

General (permanent) storage

General storage as described in this Tax Bulletin refers to storage services that are provided outside the context of a moving service. The purpose of a general storage transaction is to have property stored at a facility by the storage service provider for a period of time. Its purpose is not to have property stored temporarily in the process of being moved from point A to point B. See [Household Movers and Warehouseurs - Sales of moving services and related transactions \(TB-ST-341\)](#) for more information on moving services, including information on *storage in transit*.

Note: Self storage is discussed later in this bulletin under *Sale of storage services vs. the rental of real property*.

Taxability of storage services

When storage services are delivered inside New York State, the charge for the storage service is taxable. Storage services delivered outside New York State are not subject to New York State or local sales tax.

Separate charges associated with storage services

Separate charges listed as pull charges, warehouse labor, and pickup and delivery shown on the invoice for storage service are part of the taxable receipt for the storage service, regardless of the duration of the storage.

Location of storage services

Storage services are considered to be delivered at the location where the storage service provider **takes possession** of the property to be stored, without regard to the location of the storage facility itself. Therefore, where a storage service provider takes possession of property in New York, the sale is subject to New York State and local sales taxes. (See our [Jurisdiction/Rate Lookup by Address](#) service to find correct sales tax rates and reporting jurisdictions.) Where a storage provider takes possession of property at a point outside New York State, no New York State sales tax is due.

Example 1: A homeowner needs to store some of his belongings for three weeks while part of his home is being remodeled. The storage provider picks up the customer's belongings at the customer's home, which is located in a different taxing jurisdiction from the actual storage facility. The storage provider must collect sales tax at the rate of tax in effect at the customer's home where the belongings are picked up.

Example 2: A storage provider accepts goods to be stored from customers at a central drop-off facility in New York State. The storage provider's actual storage facilities are located in several different New York State taxing jurisdictions as well as at locations in New Jersey. The storage provider transfers the goods to be stored to these various facilities based on the space available at any given time. The storage provider must charge its customers sales tax at the rate in effect at the central drop-off facility in New York State where it takes possession of the goods to be stored, even if the facility where the goods are actually stored is in a different New York taxing jurisdiction or at a location in New Jersey.

Pickup and Delivery

As stated above, charges for transporting property to storage and returning it from storage are generally included in the taxable receipt for the overall storage service when the party providing the transport service is also the provider of the storage service. This is because the primary purpose of the transaction is the storage of the property and not transportation.

Again, storage as described in this Tax Bulletin is different than a storage service provided in conjunction with a move, where the purpose of the transaction for the customer is the moving service, not a storage service. *Storage in transit* occurs in the context of a moving service when events delay the delivery of goods by the mover to the customer's destination, and the stored property is the responsibility of the mover. See Tax Bulletin [Household Movers and Warehouse - Sales of moving services and related transactions \(TB-ST-341\)](#) for more information on *storage in transit*.

If a customer contracts separately with an unrelated third party to transport the customer's property to or from a storage facility, the separately contracted charge for transportation is not subject to sales tax.

Example 3: A law firm is having its offices remodeled. It contracts with XYZ Storage to store its furniture and files during construction and to return the property when the work is completed. The charge by XYZ Storage for the storage is \$2,000. In addition to the \$2,000 charge for storage, XYZ Storage charges \$250 to pick up and return the property being stored. The \$250 charge is taxable as part of XYZ Storage's overall charge for storage.

Example 4: Mr. T has a large collection of antiques on display at his home. Mr. T's elderly mother-in-law is coming to live at his home. To make room for her, Mr. T must remove some of his antiques from his home. He contracts with DEF Storage to store his antiques. He separately contracts with Tom's Trucks to transport the antiques to the storage facility. Mr. T's payment to DEF Storage for storage of the antiques is taxable, while his separate payment to Tom's Trucks for transportation is not taxable.

Example 5: Mr. A rents an apartment in Albany, New York. Mr. A's employer is transferring him to France for three years. Mr. A contracts with ABC Warehouse to store his furniture and other belongings while he is away. In addition to a monthly \$50 charge for storage, ABC Warehouse charges \$100 to come and pick up Mr. A's property. The \$100 charge is taxable as part of ABC Warehouse's overall charge for storage.

For transactions involving both moving and storage services, it is important to focus on what a seller is selling and what a buyer is purchasing in order to determine the taxability of the transaction.

Example 6: A business contracts with A-Z Moving, a national motor carrier, to transport a truckload of office fixtures from Buffalo to a new office location in New York City. The total charge for the moving service is \$12,500.

When A-Z Moving's driver arrives in New York City, the new office is not yet ready due to electrical problems. A-Z Moving's driver takes the fixtures to a warehouse in New York City for storage. The warehouse is owned and operated by Bob's Moving and Storage, an independently owned local company that is an agent of A-Z Moving. Bob's Moving and Storage charges A-Z Moving \$40 per day to store the fixtures.

A-Z Moving's contract with its customer provides that A-Z Moving will be responsible for storage in transit of the fixtures, and for final completion of the move, for a period of up to 60 days for an additional charge of \$45 per day. The customer has no say in where the storage of the fixtures occurs. Since the storage is incidental to the exempt moving service, the additional charge is exempt as storage in transit.

If the new office is not ready by the end of the 60-day storage-in-transit period specified in the original moving contract, and no new moving contract is entered into by A-Z Moving and its customer, the storage is no longer considered to be exempt as incidental to the transportation service.

During the period of storage in transit, Bob's Moving and Storage is selling A-Z Moving taxable storage services. As a result, A-Z Moving cannot buy the storage services for resale and must pay sales tax to Bob's Moving and Storage at the combined state and local tax rate in effect at the location of the warehouse in New York City. The sale of storage services by Bob's Moving and Storage to A-Z Moving is subject to New York State sales tax regardless of the fact that Bob's Moving and Storage is a local agent of A-Z Moving.

If A-Z Moving continues to purchase storage services from Bob's Moving and Storage after the 60-day storage-in-transit period and charges its customer for storage of the fixtures, A-Z Moving can purchase the storage services from Bob's Moving and Storage for resale to its customer. A-Z Moving must charge its customer sales tax.

If the customer pays Bob's Moving and Storage directly to provide continued storage of the fixtures, that charge is subject to sales tax.

In either case, the charge to the customer for storage is subject to the combined state and local tax rate in effect at the location of the warehouse in New York City, since that is where the taxable storage service originated for the customer at the end of the period of storage in transit.

Sales to exempt entities

If the customer is an exempt governmental entity, the storage provider does not need to collect sales tax on its sales of storage services, provided the storage provider receives a governmental purchase order or a government contract to document the exempt sale. If the customer is an exempt organization claiming a sales tax exemption, the customer must give the storage provider a properly completed Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, to verify the customer's exempt status.

Sale of storage services vs. the rental of real property

Charges for storage services are subject to state and local sales tax as stated above. However, charges for the rental or lease of real property, even though used by the tenant for storing property, are not subject to sales tax. Indicators of a rental or lease of real property include:

- the tenant contracts for a certain amount of footage in a specific location;
- the tenant has unlimited control of access to the space and exclusive possession of the space;
- the tenant's possession and control of the space must be to the exclusion of the proprietor (as described below);
- the tenant is allowed to supply racks, cabinets, and other facilities for the tenant's own use in the leased space; and
- the proprietor does not provide any additional services that require the tenant to give up possession and control of his or her property to the proprietor (such as receiving, handling, storing, or forwarding of the tenant's personal property).

Hours of availability

Where a self-storage facility is not open to customers at all hours, a customer is considered to have unlimited control as long as the customer has access to the space during hours when other similar commercial storage facilities are generally accessible.

Example 7: A self-storage facility is surrounded by a fence with a gate with a keypad lock. For safety reasons, the owner of the facility allows access only from 8:00 am through 5:00 pm each day. No overnight access is allowed and the keypad lock will not open the gate during off hours. The facility's customers are considered to have unlimited control because daytime-only access is similar to when other commercial storage facilities are generally accessible.

Exclusive possession

The tenant's exclusive possession of the space may be established by means of a lock (either the proprietor's or the tenant's) on the door of the enclosed space, under the control of the tenant. Exclusive possession will still be recognized if the proprietor has a duplicate or master key and, as a result, has access to the space, but the written lease agreement specifically provides that the proprietor has no right of access to the space during the term of the rental except to collect rent, make necessary repairs, or in an emergency.

Storage services

The lease of storage space will be exempt only if it does not actually constitute a storage service. As mentioned above, a key element in providing a storage service is the relinquishment of possession and control of the stored goods by the tenant to the proprietor. If the proprietor provides additional services (such as receiving, handling,

storing, or forwarding of the tenant's personal property) that require the tenant to give up possession and control of the stored goods to the proprietor, a lease may be deemed to constitute a taxable storage service.

When the owner of the goods is present during the provision of services such as unloading, handling, or moving the goods and directs the actions of the individuals performing the labor, the owner has not relinquished possession and control of the goods and the lease **will not** be deemed to constitute a taxable storage service.

When the owner of the goods is not present when the labor is performed, possession and control of the goods passes to the proprietor and the lease **will** be deemed to constitute a taxable storage service.

When the agreement between the proprietor and customer indicates that the customer has purchased storage services rather than rented or leased real property, any charge by the proprietor for loading, unloading, or rearranging the customer's property is part of the taxable storage services and is subject to sales tax. See [TSB-M-86\(3\)S](#), *Taxable Status of the Rental of Self-Service Mini-Storage Units*, for more information.

Portable storage and moving containers

The use of portable storage and moving containers by a customer on the customer's premises is a rental of tangible personal property subject to sales tax if the customer's premises are located in New York State. Charges for initial delivery of an empty container to the customer and for pick-up of the container for return are part of the rental charge subject to sales tax.

The charge for picking up a loaded container at a customer's location and delivering it to a storage facility, and the charge for delivering a loaded container from a storage facility to a customer's location, are subject to sales tax as part of a taxable storage service.

However, the charge for moving a container from the customer's location to a different location, without delivery to a storage facility, is a charge for a moving service and is not subject to tax if the charge is reasonable and is separately stated on the bill or invoice given to the customer.

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) and 1105(c)

Regulations: Section 527.6

Memorandum:

[TSB-M-86\(3\)S](#), *Taxable Status of the Rental of Self-Service Mini-Storage Units*

[TSB-M-14\(16\)S](#), *Revised Tax Department Policy on Storage in Transit*

Bulletins:

[How to Register for New York State Sales Tax \(TB-ST-360\)](#)

[Household Movers and Warehouse - Sales of moving services and related transactions \(TB-ST-341\)](#)