



Sales Tax Rates, Additional Sales Taxes, and Fees

Introduction

Businesses required to collect sales tax must know the correct sales tax rate to apply to all sales of taxable goods and services.

This bulletin explains:

- how to identify the correct rates and compute tax due,
- jurisdiction reporting codes and rate changes, and
- other sales taxes and fees.

How to identify the rates and compute sales tax

To determine the total amount of tax due on a sale, multiply the amount of the taxable sale by the **combined** state and local sales tax rate, and if applicable, the additional Metropolitan Commuter Transportation District (MCTD) tax rate. Round the amount of tax due up or down to the nearest cent.

The combined rate equals the state rate (currently 4%) plus any local tax rate imposed by a city, county, or school district (plus the MCTD rate, if applicable). The jurisdiction (locality) where the item is delivered usually determines the local rate. The point of delivery is where ownership (title) and/or possession of the item is transferred by the seller to the purchaser. The local rate that applies to services is the jurisdiction where the service is delivered or where the property on which the service is performed is delivered. The local rate that applies to rent and amusement charges is the rate in effect in the jurisdiction in which the hotel or place of amusement is located.

An additional $\frac{3}{8}\%$ (0.375%) sales tax applies to taxable sales within the MCTD. New York City and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester are in this district. The same rules that determine the local taxing jurisdiction (discussed above) are used to determine if a taxable sale is subject to the additional MCTD rate.

The sales tax on motor vehicles, including cars, trucks, certain boats, boat trailers, RVs, and motorcycles, is calculated using the rate in effect in the jurisdiction where the vehicle owner is a resident. This is normally the address of the person that the vehicle will be registered to.

Special rules also apply to florists who make sales using a florist's wire service. These services are generally used when a customer places an order for flowers in one state or jurisdiction, and the order information is forwarded to a florist closer to the delivery address in another jurisdiction or state to be filled. In these sales, the sales tax must be calculated based on where the order is placed, not on where the flowers are actually delivered. For more information, see Tax Bulletin [Florists: Sales of Flowers \(TB-ST-277\)](#).

Example: Taxpayer A lives in Saratoga County and travels to a mall located in Albany County to purchase a new television. The sales tax due is based on the combined state and local rate in effect in Albany County because that is where Taxpayer A took ownership and possession of the television, even though the television will be used in Taxpayer A's home in Saratoga County.

Example: Taxpayer B lives in Dutchess County but works in White Plains in Westchester County. At lunchtime, they bring their car to a shop near work to have the oil changed. Sales tax will be collected at the combined state, Westchester County, City of White Plains, and MCTD rates because those are the combined rates in effect where they took possession of the car on which the maintenance service was performed. If the repair shop delivered the car to them in Dutchess County, then the Dutchess County rate would have applied instead of the Westchester County and White Plains rates. The MCTD rate would still apply since Dutchess County is in the MCTD.

Example: Taxpayer C shops online and orders a new tea pot from an Internet retailer. The tea pot will be delivered to their home in Erie County. Taxpayer C's purchase will be subject to sales tax at the combined state and Erie County rate since the tea pot is being delivered to them there.

You can use two resources to find the correct combined state and local sales tax rates:

- the online [Jurisdiction/Rate Lookup by Address](#), or
- [Publication 718](#), *New York State Sales and Use Tax Rates by Jurisdiction*, along with the other relevant [publications](#) in the 718 series.

We provide these resources as a convenience to help with the collection of sales tax. However, it is your responsibility as a business required to collect tax to make sure that the tax rate and jurisdiction reporting code are correct when collecting, reporting, and remitting sales tax.

See also Tax Bulletin [Taxable Receipt \(TB-ST-860\)](#) for more information on the computation of sales tax due.

Jurisdiction reporting codes and rate changes

When you file your sales and use tax returns, you must report the sales tax collected for each jurisdiction separately. The Tax Department has assigned a specific reporting code for tax due for each local jurisdiction, which allows for proper accounting of the tax collected. As long as you use [Sales Tax Web File](#) or use the [sales tax returns](#) available from the Tax Department for the reporting period you are filing, the correct codes and rates will be provided to you.

You can learn about rate changes in a few different ways:

[Subscription service](#) - We encourage you to register to receive e-mail notifications related to sales tax, including rate changes. These e-mail notifications include links to recently updated Web content and publications that list sales tax rates for localities.

[Locality rate change notifications](#) - If you are registered for sales tax purposes, we will notify you of any sales tax rate change for any locality where you recently reported sales tax or compensating use tax on your sales tax return. The notification will include a brief announcement of the change, and will include references to notices, publications, and memoranda (available on our Web site) that provide detailed information on the change. The locality rate change notification will contain a detailed explanation of the change in a local rate, the effective date of the change, any special instructions or changes for collecting the tax at the new rate, and any changes in reporting requirements.

[Sales tax form instructions](#) - A reminder about rate changes occurring during the sales tax quarter is included in the instructions for your sales tax returns and schedules.

[Sales tax rate publications](#) –Publications that include listings of the sales tax rates by jurisdiction are on the sales tax publications page of our Web site.

Other sales taxes and fees

Certain businesses may be required to collect one or more of the additional sales and use taxes and fees described below. These taxes and fees must be collected and remitted in the same manner as the state and local sales taxes. The sales tax returns and schedules have designated lines and reporting codes for you to report the additional sales taxes and fees separately.

Passenger car rentals - statewide special tax

There is an additional 6% state-only sales or use tax on the short-term rental of a passenger car rented within New York State, or rented outside New York State for use within New York State. *Short-term rental* means any rental for less than one year. See [TSB-M-09\(1\)S](#), *Increase in the Special Tax on the Rental of Passenger Cars*.

Passenger car rentals - special supplemental tax

In addition to the statewide 6% passenger car rental tax, there is a 6% special supplemental tax on all passenger car rentals. See [TSB-M-19\(1\)S](#), *Summary of Sales and Use Tax Budget Legislation Enacted in 2019*, and [TSB-M-09\(6\)S](#), *Special Supplemental Tax on the Rental of Passenger Cars Within the Metropolitan Commuter Transportation District*.

Entertainment and information services provided by telecommunications service

An additional 5% sales tax is imposed on entertainment and information services provided by telecommunications service that are received by the customer in an exclusively aural manner (for example, 800 or 900 telephone number services). See [N-93-20](#), *Increase in Tax Rate Applicable to Entertainment and Information Services Provided by Means of Telephony and Telegraphy*.

Vapor products

A 20% supplemental sales tax is imposed on retail sales of vapor products sold in New York. Any business that intends to sell vapor products must be registered as a vapor products dealer before making sales of these products. For more information, see [TSB-M-19\(3\)S](#), *Vapor Products Dealer Registration and Filing Requirements*.

Parking services sold in New York City

Charges for parking services in New York City are subject to the 4% state tax, the 6% New York City local tax, and the $\frac{3}{8}$ % Metropolitan Commuter Transportation District (MCTD) tax (for a combined state and local rate of 10 $\frac{3}{8}$ %).

The borough of Manhattan has an additional 8% parking tax that applies unless the purchaser is a certified exempt resident (for a combined state and local rate of 18 $\frac{3}{8}$ %). Eligibility rules and the application to apply for the exemption from the additional 8% parking tax can be found at www.nyc.gov.

See Tax Bulletin [Parking Services in New York City \(TB-ST-679\)](#) for additional information.

Fee on hotel occupancy in New York City

In addition to the state and local sales taxes on hotel occupancy, a hotel unit fee in the amount of \$1.50 per unit per day applies to hotels located in New York City. These fees are reported on [Schedule N, Selected Services in New York City](#). See [TSB-M-05\(2\)S, Fee on Hotel Occupancy in New York City](#), for additional information on the hotel unit fee, and for the definition of a *unit in a hotel*.

Paper carryout bag reduction fee

The New York State Bag Waste Reduction Act authorizes counties and cities to impose a five-cent paper carryout bag reduction fee on paper carryout bags that sales tax vendors of tangible personal property provide to customers. Sales tax vendors that sell tangible personal property in a locality that imposes the paper bag fee must charge the fee for each paper carryout bag provided to a customer, even if the vendor does not sell any tangible personal property or a service to the customer. For a current listing of the localities that enacted the fee, see [Publication 718-B, Paper Carryout Bag Reduction Fee](#). The fee is reported on [Schedule E, Paper Carryout Bag Reduction Fee](#).

Sales taxes imposed by certain school districts

Certain school districts in New York State impose sales tax on utilities and utility services. A school district's utility tax is in addition to the tax imposed by the state and by the county and/or city in which the school district is located. You can look up the combined tax rate on utility services sold in a school district by entering the delivery address of the utility or utility service in our online [Jurisdiction/Rate Lookup by Address](#).

When you enter the address, you'll find a description of the applicable utility or utility service. These services fall into three categories:

- residential energy sources and services,
- nonresidential energy sources and services, and
- telecommunications services.

The school districts that impose these taxes, and the applicable tax rates, are listed on [Schedule B, Taxes on Utilities and Heating Fuels](#), and [Schedule I, Taxes on Telephone Services](#).

See also Tax Bulletin [Residential Energy Sources and Services \(TB-ST-775\)](#).

New York City taxes on certain services

New York City imposes local sales tax on certain services performed or delivered in New York City, including:

- credit-rating and credit-reporting services;
- beautician, barbering, and hair restoring;
- tanning;
- manicures and pedicures;
- electrolysis; and
- massage services and services provided by weight control and health salons, gymnasiums, Turkish and sauna baths and similar establishments.

For more information about these taxable services, see Tax Bulletins:

- [Miscellaneous Personal Services and Related Sales in New York City \(TB-ST-575\)](#),
- [Beauty Salons, Barber Shops, and Hair Restoration Services \(TB-ST-60\)](#),
- [Hair Removal Services \(TB-ST-326\)](#),
- [Health and Fitness Clubs \(TB-ST-329\)](#),

- [Manicures and Pedicures \(TB-ST-551\)](#),
- [Massage Services \(TB-ST-554\)](#),
- [New York City Health and Fitness Facilities \(TB-ST-615\)](#),
- [Tanning Salons \(TB-ST-853\)](#), and
- [Tattooing and Permanent Make-up Services \(TB-ST-855\)](#).

You must file [Schedule N](#) with your sales tax return to report sales and remit the sales tax due on the above services that fall within the special rules for New York City sales.

Note: Interior decorating and design services performed within New York City are subject to the state portion of the sales tax only and are not subject to the New York City local sales tax. For more information, see Tax Bulletin [Interior Decorating and Design Services \(TB-ST-400\)](#).

Other local taxes

New York State laws authorize other local jurisdictions to impose locally administered taxes, such as taxes on hotel occupancy, energy, and telecommunications. These taxes are not administered by the Tax Department and are not reported on or paid with your state sales tax return. The individual localities impose, administer, and collect these taxes. When starting a business, you should contact the village, town, city, and county clerk to learn about local hotel taxes. If you need information about local taxes or other local laws, contact your local government.

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

Tax Law: Sections 1101(b)(28), 1109, 1132(b), 1210, 1211, and 1218

Regulations: Sections 525.3, 526.7, 530.1, and 533.4(b)