

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

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Sales Tax
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Sales of Motor Vehicles to Nonresidents
and
Motor Vehicle Registration by Nonresidents

Sales of Motor Vehicles to Nonresidents

Beginning December 1, 1994, any sale of a motor vehicle to a nonresident of New York State will require the collection of New York State sales or use tax if the vehicle is to be registered in New York State. New York State and local tax is due at the rate in effect in the jurisdiction where delivery of the vehicle takes place (i.e., where the sale occurs). New York motor vehicle dealers may not sell a vehicle "tax exempt" if they issue either a "temporary certificate of registration" (where an existing New York registration is transferred from one vehicle to another) or a "temporary registration" (e.g., where there is no trade-in) to a nonresident purchaser.

The obtaining of an "in-transit permit" for purposes of transporting a motor vehicle out of New York State for registration outside the state does not cause the transaction to be subject to the New York State and local sales or use tax. If, however, the dealer issues a New York State "temporary certificate of registration" or a "temporary registration" (for transport or any other purpose) to a purchaser who claimed the nonresident exemption, the dealer must collect sales or use tax on the transaction.

A nonresident who will initially be registering the vehicle outside New York State may purchase a motor vehicle in New York State exempt from tax. To claim the nonresident exemption, the purchaser must:

- (1) be a nonresident of this state;
- (2) have no permanent place of abode in this state;
- (3) not be engaged in carrying on any employment, trade, business or profession in this state in which the motor vehicle will be used;
- (4) give the dealer a properly completed nonresident affidavit (Form DTF-820 *Certificate for Purchase of Motor Vehicle*); and
- (5) not have been issued by the dealer either a "*Temporary Certificate of Registration*" or "*Temporary Registration*".

In addition to obtaining the nonresident affidavit, the dealer must clearly indicate on Form MV-50, *Retail Certificate of Sale*, that the sale was made without collection of New York State and local sales or use tax. To do this, the dealer must write across the top of each Form MV-50, just above the title *Retail Certificate of Sale*:

"EXEMPT: OUT-OF-STATE PURCHASER"

Motor Vehicle Registration by Nonresidents

When a nonresident registers a motor vehicle purchased in New York State, except in the case of a renewal of registration by the same owner, New York State and local sales or use tax is due at the time of registration unless:

- S the nonresident provides evidence that the vehicle had been previously registered to him or her in another state or country;
- S the transaction is otherwise exempt from tax in New York State; or
- S that the New York State and local sales or use tax was paid prior to registration.