



This publication is intended to clarify the applicability of sales and use tax on the sale of snowmobiles to residents and nonresidents of New York State. State law requires every snowmobile operated or used in New York State (except snowmobiles used exclusively on private property) to be registered in New York State, even if the snowmobile is also registered elsewhere. In addition, the Department of Motor Vehicles has authorized certain dealers to register snowmobiles in New York State.

Sales by Dealers

Sales of snowmobiles are subject to the New York State and local sales and use tax rate in effect in the taxing jurisdiction where the snowmobile is delivered. If a customer takes delivery at the dealer's place of business, the dealer must collect sales tax based on the rate of sales tax in effect where the business is located, even if the customer subsequently takes the snowmobile out of New York State or to another area within New York State. If delivery occurs at the dealer's place of business, the tax is due even if the purchaser does not register the snowmobile and even if the purchaser is a nonresident of New York State. If the snowmobile is delivered to a destination in New York State other than the dealer's place of business, the dealer must collect sales tax based on the rate of sales tax in effect where delivered. If the dealer delivers the snowmobile to a destination outside New York State, no New York State or local sales tax is to be collected by the dealer.

A dealer may not accept a Form DTF-820, *Certificate of Nonresidency of New York State and/or Local Taxing Jurisdiction*, or Form DTF-803, *Claim for Sales Tax Exemption — Sale or Transfer, Motor Vehicle, All Terrain Vehicle (ATV), Vessel (Boat), or Snowmobile*, or a Form DTF-802, *Statement of Transaction — Sale or Gift of Motor Vehicle*, as the basis for exempting from sales tax the sale of a snowmobile delivered to a destination in New York State. The purchase of a snowmobile by a farmer does not qualify for exemption from sales tax because

snowmobiles are not generally used directly and predominantly in the production of farm products. Therefore, dealers should not accept a Form ST-125, *Farmer's Exemption Certificate*, in lieu of collecting sales tax on the sale of a snowmobile to a farmer. The farmer must pay sales tax at the time of purchase. If it can later be substantiated that the snowmobile is used predominantly in farming, the farmer may apply for a refund of the sales tax paid by filing Form AU-11, *Application for Credit or Refund*.

If a dealer sells snowmobiles to another dealer who intends to sell the snowmobile, the dealer may accept a properly completed Form ST-120, *Resale Certificate*, as the basis for not collecting sales tax. A dealer is not required to collect sales tax on the sale of a snowmobile to a qualifying exempt organization, provided the exempt organization furnishes the dealer a properly completed Form ST-119.1, *Exempt Organization Certification*. A dealer may also sell snowmobiles to the United States of America, and any of its agencies and instrumentalities, and New York State governments, and any of their instrumentalities, agencies, or political subdivisions, exempt from sales tax. A governmental entity must furnish the dealer with a governmental purchase order to support its request for exemption from sales tax. Exemption certificates must be received by the dealer no later than 90 days after delivery of the snowmobile to the purchaser.

Sales tax is due on the purchase of a snowmobile based on the selling price of the snowmobile and the sales and use tax rate in effect in the locality where delivery occurs, regardless of the residency of the purchaser.

Use tax or additional use tax is due at the sales and use tax rate in effect in the locality where the purchaser uses the snowmobile, provided that person maintains a place of residence (such as a home, summer home, winter camp, or apartment) in such locality. Storage or safekeeping of the snowmobile is considered use of the snowmobile for tax purposes.

Use Tax

Snowmobiles purchased by a New York State resident outside New York State and subsequently brought into this state, or delivered in New York State outside the locality where the resident resides, are subject to a use tax. The purchaser may take a credit for the sales tax paid in the other jurisdiction, up to the maximum due in the locality of residence. A credit is also allowed against a purchaser's use tax liability for any sales tax paid in another state, provided the other state allows a corresponding credit. (The credit is computed rate-for-rate and not on a dollar-for-dollar basis).

Example 1: A resident of New York State takes delivery of a snowmobile at the dealer's place of business, where the combined New York State and local rate of sales tax is 6%, and takes the snowmobile home where the combined rate of sales tax is 7%. Since the purchaser paid a 6% tax to the seller, the purchaser is entitled to a credit of 6% against the 7% due and would owe an additional 1% use tax.

Example 2: A resident of New York State purchases a snowmobile in another state and pays the other state's sales tax. The resident owes a use tax when the snowmobile is

brought into New York State. However, the purchaser may take a credit (computed rate-for-rate) for the sales tax paid in the other state when it is shown that such other state allows a corresponding credit.

Purchasers who owe use tax should file Form ST-130, *Purchaser's Report of Sales and Use Tax*, and remit any use tax due, within 20 days from the date the snowmobile was purchased or the date the snowmobile is first brought into New York State, or into a higher-taxing jurisdiction within New York State, whichever occurs first. When a snowmobile is purchased from a private party rather than through a dealer and the private party does not collect a sales tax (casual sale), it is the obligation of the purchaser to pay the use tax directly to the Commissioner of Taxation and Finance on the Form ST-130. If the purchaser is registering the snowmobile, any tax due must first be paid to the Commissioner of Taxation and Finance or the Department of Motor Vehicles, or to the dealer upon registration. If the purchase is for other than cash (for example, barter, exchange, trade, and so forth), the snowmobile is subject to tax at its fair market value.

Registration of Snowmobiles not Purchased from the Dealer

When a nonresident brings a snowmobile purchased elsewhere into New York State, and asks an authorized dealer to register the snowmobile, the dealer must have the nonresident complete

Form DTF-803, *Claim for Sales Tax Exemption — Sale or Transfer, Motor Vehicle, All Terrain Vehicle (ATV), Vessel (Boat), or Snowmobile*, before issuing a registration to operate a snowmobile in New York State.

If a resident of New York State requests registration of a snowmobile that was purchased elsewhere, the dealer or the Department of Motor Vehicles must receive proof of ownership and substantiation that New York State and local sales and use tax has been paid, before issuing a registration to operate a snowmobile in New York State.

A copy of the renewal notice issued by the Department of Motor Vehicles in the registrant's name will be considered proof that a sales or use tax has been paid. If proof of payment of the sales or use tax is not furnished, the dealer (or the Department of Motor Vehicles if the snowmobile is being registered through its office) must collect the use tax from the registrant before issuing a registration.

Any use tax collected must be reported on the dealer's sales tax return on the appropriate local line where the use tax is due. A statement explaining the payments must be attached to the return.

Example 1: A dealer in Columbia County registers two snowmobiles on which no sales or use tax has been paid. One snowmobile valued at \$2,000 was delivered in Columbia County to a person who resides in Columbia County. The other snowmobile with a value of \$3,000 was delivered in Erie County to a resident of Erie County. The snowmobiles will be used both in Columbia and Erie County. The dealer must collect a use tax of \$160 ($\$2,000 \times .08$) from the Columbia County resident and \$240 ($\$3,000 \times .08$) from the Erie County resident.

On the dealer's sales tax return, under the column entitled sales and use tax, the dealer would enter \$160 on the Columbia County line and \$240 on the Erie County line. In the explanatory statement, the dealer would explain the payments as follows:

Columbia County	\$160	Use tax collected on registrations
Erie County	\$240	Use tax collected on registrations

Example 2: A resident of Saratoga County purchased a snowmobile in Massachusetts on which no New York State and local or Massachusetts sales or use tax was paid. The snowmobile was stored at the resident's home until the beginning of the snowmobile season. At that time, the snowmobile was taken to Albany County where it was stored and used for the snowmobile season. The combined Albany County sales tax rate is 8% and the combined Saratoga County sales tax rate is 7%.

Since the purchaser is a resident of Saratoga County and the snowmobile was stored in that county, the dealer would collect a use tax at the 7% sales tax rate even though the snowmobile may subsequently be stored and used in Albany County, which has a higher sales tax rate. Since the purchaser was not a resident of Albany County, no additional use tax is due when the snowmobile is used in Albany County.

The dealer would report the use tax collected on the Saratoga County line of his or her sales tax return, in the same manner described in **Example 1** above.

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