



Taxes on Motor Carriers Operating in New York State Other than Highway Use Tax

Introduction

This bulletin provides an overview of various taxes that apply to motor carriers operating on New York State public highways.

Motor fuel and diesel motor fuel taxes

Uniform manifest

If you transport motor fuel or diesel motor fuel into, through, or within New York State, you must have one of the following completed uniform manifests in the vehicle:

- [Form FT-960](#), *Uniform Manifest for Interstate (Importation) Movements of Motor Fuel and Diesel Motor Fuel*, or
- [Form FT-970](#), *Uniform Manifest for Intrastate Movements of Motor Fuel and Diesel Motor Fuel*.

Motor fuel includes:	Diesel motor fuel includes:
<ul style="list-style-type: none"> • gasoline, • benzol, • reformulated blend stock for oxygenate blending, • conventional blend stock for oxygenate blending, • E85, and • fuel grade ethanol that meets the ASTM International active standards specification D4806 or D4814, or other product that is suitable for use in the operation of a motor vehicle engine. 	<ul style="list-style-type: none"> • no. 1 diesel fuel, • no. 2 diesel fuel, • biodiesel, • kerosene, and • fuel oil, or other middle distillate, and motor fuel suitable for operating a diesel engine.

The uniform manifest form is not required for the transportation of propane or other liquefied petroleum gases, unless they are intended for use as a motor fuel.

You must prepare a separate manifest for each owner, importer, or business you carry automotive fuel for, even if the fuel is part of the same load.

The manifest must be completed before you transport any automotive fuel in New York. It must include certain information regarding the shipment (e.g., transporter's name and license number, distributor's name and registration number, number of gallons of automotive fuel loaded, date of departure and date of delivery, and the name and address of the terminal or site where the transporter delivers the automotive fuel).

If you do not have the correct manifest in the vehicle, the Tax Department may seize your vehicle and fuel. You may also be subject to criminal prosecution.

You may reproduce [Form FT-960](#) or [Form FT-970](#) or incorporate it into other fuel documents, provided the reproduction is an exact copy, in the same format, and of the same general size as the official uniform manifest form.

The Tax Department may authorize the use of an alternative form, which must contain the same information as either [Form FT-960](#) or [Form FT-970](#). Send a written request for permission to use a different format to:

NYS Tax Department
TFAB/FAM
W A Harriman Campus
Albany NY 12227

License requirement for importing/exporting fuel transporters

You must be licensed by the Tax Department as an importing/exporting transporter if you do either of the following:

- transport motor fuel into New York State for use, distribution, storage, or sale within the state; or
- export motor fuel from New York State.

To apply for a license, complete [Form TP-650](#), *Application for Registration under Articles 12-A and 13-A*.

If you transport motor fuel into New York State without a valid license, you are subject to criminal prosecution.

This license is not needed for transporting diesel motor fuel into or out of New York State.

Transporter's monthly report

Carriers who transport motor fuel or diesel motor fuel into or out of New York State must complete and file [Form FT-942](#), *Diesel Motor Fuel and Motor Fuel Transporter's Monthly Report*, each month.

Fuel use tax/International Fuel Tax Agreement (IFTA)

New York State imposes a fuel use tax on carriers who operate qualified motor vehicles on New York State public highways, **including the toll-paid portion of the New York State Thruway**. The fuel use tax ensures that fuel purchased outside New York State and used to operate qualified motor vehicles on the state's public highways is subject to the same taxes (excise tax, sales tax, and petroleum business tax) as fuel purchased inside New York State.

You must compute and pay fuel use tax on the fuel you use to operate vehicles on New York State public highways. The fuel use tax rates are established each quarter and are based on the average price of fuel in the state.

If you purchase tax-paid fuel in New York State and place it into the fuel tank of a vehicle, you may claim a credit against the fuel use tax.

If you operate your motor vehicle only in New York State and purchase all your fuel in New York State with the taxes included, you are not subject to the fuel use tax.

For more information, see [Fuel Use Tax/IFTA](#).

Alcoholic beverages tax

If you transport more than 90 liters of liquor within New York State, you must keep records of these beverages.

When transporting liquor, you must have in your possession a:

- completed New York State Form MT-132, *Manifest Form for Liquors*; or
- manifest in a different format (e.g., an invoice) approved by the New York State Tax Department.

The manifest document must be completed prior to transporting liquors in New York and must be consecutively numbered.

For more information, see [alcoholic beverages tax bulletins](#).

Cigarettes and tobacco products

You must keep complete and accurate records (invoices, delivery tickets, etc.) of any cigarettes or tobacco products that you transport into, within, or through New York State. These records must be available for inspection by the Tax Department, upon request.

You may only deliver cigarettes in New York State to:

- a licensed or registered cigarette agent, wholesale dealer, or retail dealer;
- an export warehouse proprietor or a person operating a customs bonded warehouse; or
- an officer, employee, or agent of the federal or New York State government, or a political subdivision of either (acting in an official capacity).

See [TSB-M-03\(1\)M](#), *Enforcement Provisions Regarding the Sale, Shipment, and Possession of Cigarettes and Tobacco Products in New York State*, for more information.

Invoices

You must possess an invoice or delivery ticket if you transport any of the following in New York State:

- more than five pounds of tobacco (other than roll-your-own tobacco),
- more than 36 ounces of roll-your-own tobacco,
- more than 250 cigars, or
- any unstamped cigarettes.

The invoice or delivery ticket must display all of the following information:

- name and address of the consignor or seller;
- name and address of the consignee or purchaser;
- quantity of each brand of tobacco, cigar, or cigarette;
- name and address of the person who has assumed or will assume payment of the tax (not required if transported by common carrier to a bonded or public warehouse);
- wholesale price of the products or the amount of tobacco products tax paid or payable (if transporting tobacco or cigars); and
- reason for exemption (if the tobacco, cigars, or cigarettes are exempt from tax).

If you cannot produce the required invoice or delivery ticket for inspection, the Tax Department may seize your vehicle and cargo and may criminally prosecute you.

For more information, see [cigarettes and tobacco products tax](#).

Corporation tax

Trucking corporations are generally subject to the corporation franchise tax under Article 9-A of the Tax Law. However, when a corporation begins doing business in New York State, it may make a one-time election to be subject to the franchise tax under

sections 183 and 184 of Article 9 of the Tax Law if more than 50% of its receipts are derived from trucking. For more information, see:

- [Form CT-187](#), *Election or Revocation of Election By Railroad and Trucking Corporations To Be Taxable Under Article 9*;
- [TSB-M-97\(8\)C](#), *Railroad and Trucking Corporations Subject to Tax under Article 9, 9-A, or 32 of the Tax Law*; and
- [Corporation tax](#).

Personal income tax

A resident of New York State is subject to income tax on his or her total federal adjusted gross income, with certain modifications. A full-year resident must report income on [Form IT-201](#), *Resident Income Tax Return*. For more information, see the instructions for Form IT-201 ([Form IT-201-I](#)).

A part-year resident of New York State is subject to income tax on his or her income received from New York State sources in the nonresident period and on all income received during the resident period.

Compensation earned by a nonresident employee of an interstate carrier is subject to New York income tax only if he or she works **exclusively in New York State**. You are not subject to New York State personal income tax if your only income is from an interstate motor carrier or an interstate motor private carrier for regularly assigned duties performed in more than one state. For more information, see [TSB-M-91\(5\)I](#), *Taxation of Employees of Interstate Rail Carriers, Interstate Motor Carriers, Interstate Motor Private Carriers, and Interstate Air Carriers*.

A nonresident or part-year resident who is required to file a New York State income tax return must use [Form IT-203](#), *Nonresident and Part-Year Resident Income Tax Return*. For more information, see the instructions for Form IT-203 ([Form IT-203-I](#)).

For more information, see [personal income tax](#).

Withholding tax

An employer who is an interstate motor carrier or motor private carrier must withhold:

- New York State (and New York City and Yonkers, if applicable) income tax on the entire amount of compensation paid to any employee who is a New York State resident; and
- New York State (and Yonkers, if applicable) income tax on compensation paid to a nonresident employee performing services exclusively within New York State.

The employer should not withhold New York State, New York City, or Yonkers taxes on compensation paid to an employee who is not a New York State resident if the employee performs regularly assigned duties with respect to a motor vehicle in New York State and one or more other states.

For additional information, see:

- [Publication NYS-50](#), *Employer's Guide to Unemployment Insurance, Wage Reporting, and Withholding Tax*; and
- [Withholding tax](#).

Sales and use taxes

The purchase, rental, or lease of tractors, trailers, and semitrailers which, when used in combination, have a gross vehicle weight of more than 26,000 pounds (11,793.4 kilograms) is exempt from New York State and local sales and use taxes.

To make tax-exempt purchases or leases of these vehicles, the purchaser/lessee must give the seller a properly completed [Form ST-121.1](#), *Exemption Certificate for Tractors, Trailers, Semitrailers, or Omnibuses*. The exemption also applies to the purchase of:

- all property (including parts) purchased for equipping, maintaining, or repairing a qualifying vehicle (this includes original equipment and all other property, whether sold installed or uninstalled); and
- installation, maintenance, and repair services performed on property that is installed on a qualifying vehicle.

See [TSB-M-87\(16\)S](#), *Sales Tax Exemption For Tractors, Trailers & Semitrailers*, and [TSB-M-87\(16.1\)S](#), *Sales Tax Exemption For Tractors, Trailers & Semitrailers*, for additional information on qualified vehicles and exempt purchases.

Purchases and leases of most other vehicles are subject to sales and use tax. The taxability of these transactions is governed by many factors, such as the:

- resident status of the purchaser or lessee (anyone conducting any employment, trade, business, or profession in New York State is a resident of the state for sales and use tax purposes);
- terms of the lease (short-term vs. long-term); or
- jurisdiction in which the business is resident.

For more information, see [sales and use tax](#).

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: Articles 18, 20, 9, 9-A, 21, 21-A, 22 and 28

Bulletins:

[An Introduction to Highway Use Tax \(TB-HU-40\)](#)

[Certificate of Registration \(TB-HU-115\)](#)

[Certificate of Registration – Trip Certificate \(TB-HU-116\)](#)

[Decals – Highway Use Tax \(TB-HU-160\)](#)

[Excluded and Exempt Vehicles – Highway Use Tax \(TB-HU-245\)](#)

[Filing Requirements for Highway Use Tax \(TB-HU-260\)](#)

[How to Determine Your Highway Use Tax \(TB-HU-360\)](#)

[Recordkeeping Requirements – Highway Use Tax \(TB-HU-765\)](#)

[Summary of Enforcement Provisions – Highway Use Tax \(TB-HU-835\)](#)