

# SALES TAX PROCEDURE

## DTF-802, DTF-803, DTF-804

### DTF-802 Casual Sales

**C - Casual Sale** - a casual sale is a transfer of a motor vehicle, boat, snowmobile, or ATV between two (2) individuals where a New York State dealer is not involved. This includes transfers from individual to individual, out-of-state dealer to an individual, vendor to individual, corporation or partnership to or from individuals.

**The Social Security Number or federal EIN is a required entry.**

Sections 1,2 and 3 must be completed.

Sections 4 must be completed. (**questions need to be answered**).

Sections 5 and 6 must always be completed.

**Bill of sale is required** when out-of-state dealer to an individual, vendor to individual, corporation or partnership to or from individuals.

- **For Office Use Only must me competed**

### DTF-803 Exemption

**E – Exemption** – is used when the new owner is claiming exemption from sales tax for any reason other than a gift or credit for taxes paid to other states.

Sections 1, 2, 3, 4 and 5 must be completed

**The Social Security Number or federal EIN is a required entry.**

**Determine the type of exemption** claimed by identifying which box has been checked on the form (number 1-15).

**Check the Audit box for any transactions, which have been accepted but appear questionable.**

If an exemption is being claimed that requires documentation, the documentation substantiating the claim must be submitted. Attach proof where indicated. If the appropriate documentation is NOT submitted, deny the exemption, and advise the owner to:

Obtain the appropriate documentation

**OR**

Pay the tax on the Fair Market Value of the vehicle and apply to the Department of Taxation and Finance for a refund and/or credit for the entire amount.

**BOX 1** - Nonresident of New York State (**motor vehicles, trailers, or boats only**)

**NON-RESIDENT EXEMPTION** - An individual who was not a resident of New York at the time of purchase and who wishes to title or register the vehicle, trailer or boat in New York State is exempt from paying a sale or use tax.

**BOX 2** - Nonresident of New York State (**ATVs, snowmobiles only**)

**NON-RESIDENT OF NEW YORK STATE** - An individual who was not a resident of New York at the time of purchase and who wishes to title or register the vehicle, trailer or boat in New York State is exempt from paying a sale or use tax.

**BOX 3** –Required additional information (you **MUST** provide the information requested if you mark a box in either line 1 or 2 above)

**BOX 4** - Exempt organization

**\*BOX 5** - Registered vendor for rental or lease (must provide Certificate of Authority Number)

**PURCHASE BY A REGISTERED VENDOR FOR RENTAL OR LEASE** - For a rental agency or leasing company to claim exemption when purchasing a vehicle to be used exclusively for rental or lease to customers. The New Owner's Certificate of Authority number must be entered in the space provided on the DTF-803. If no Certificate of Authority Number is furnished, no exemption can be granted.

**\*BOX 6** - Leased or rented vehicle

**LEASED OR RENTED MOTOR VEHICLE, ATV, BOAT OR SNOWMOBILE** -For use by a registrant who is leasing a vehicle from a leasing company.

**BOX 7** - Settlement of estate

**SETTLEMENT OF ESTATE** - Exemption is applicable when an individual inherits a vehicle and wants to register it in their name OR when the vehicle is being transferred to the Estate. It is not applicable when the vehicle has been purchased from or sold by the estate.

#### **PROOF OF SETTLEMENT**

Proof of Settlement of Estate is:

The decedent's proof of ownership (either the title, or the transferable registration) in the decedent's name.

**AND**

Proof of the applicant's right to transfer the vehicle:

- Letters Testamentary
- Letters of Administrator's Affidavit

- Transfer of Car Registered in Name of Deceased Person (Form MV-349)
- Affidavit for Transfer of Motor Vehicle Pursuant to Section 5-3.1 of the Estates, Powers, and Trusts Law (Form MV-349.1)
- Affidavit for Transfer of Snowmobile/Boat/Trailer (Form MV-349.2)

A copy of the death certificate (is required when the MV-349, MV-349.1 or MV-349.2 is submitted).

**BOX 8** - Tractor, trailer, or semi-trailer

**TRACTORS, TRAILERS AND SEMI-TRAILERS** - To qualify for an exemption from New York State and Local Sales and Use taxes the motor vehicle must be a tractor, trailer or semi-trailer which is used or will be used in combination where the gross vehicle weight of such combination is in excess of 26,000 pounds.

**BOX 9** - Direct payment permit holder

**DIRECT PAYMENT PERMIT HOLDER** - is required to submit a copy of Form AU-297 or ST-123 which contains a permit number starting with DP followed by any number with 1 to 6 characters. No sales or use tax is to be collected from them.

The Direct Payment Permit is acceptable only for vehicles to be registered in the name of the holder of the Direct Payment Permit. Related corporations and subsidiaries cannot use the Direct Payment Permit of an affiliate corporation to register vehicles. If a Direct Payment Permit has been issued in the name of one division of a corporation, it is not to be accepted for vehicles to be registered in the name of another division of the same corporation.

Related corporations, divisions and subsidiaries that do not have a Direct Payment Permit of their own must go through tax clearance procedures like any other registrant who has no MV-50. If sales tax is due, the owner must complete Form DTF-802.

**\*BOX 10** - New York sales and use tax paid to seller

**NEW YORK SALES TAX PAID TO VENDOR** - Generally an individual who has paid sales tax to the vendor will not owe any additional sales tax. An individual or business may be registered with the Tax Department to collect sales tax even though they are not a dealer.

Verify that the sales tax paid to the vendor is shown on the sales invoice. A printed sales invoice or company letterhead bearing the vendor's name and address, in a form common to everyday business practices would be acceptable. A handwritten sales invoice on ruled paper, for example, should not be honored. Private Sector Partnering requires that a photocopy of the seller's NYS Certificate of Authority be attached to the DTF803 if box 10 is marked. The Purchased Price and amount of tax paid to seller should be entered in the spaces provided on the Form and a copy of the bill of sale/invoice must be attached.

**BOX 11** - Individual Indian Exemption

**INDIVIDUAL INDIAN EXEMPTION** - Indians who are members of an exempt tribe or nation and who reside on a qualified reservation are exempt from sales and use tax on

**purchases of a motor vehicle, trailer, boat, ATV, or Snowmobile. The exemption applies only when all four of the following requirements are met:**

The motor vehicle, trailer or boat must be registered to an address on the reservation (No Post Office boxes allowed).

The ATV or snowmobile must be delivered to the purchaser on a qualifying reservation.

**NOTE:** Purchases made by one of the Tribes or Nations indicated below may be considered an Exempt Organization if Form ST-119.1 accompanies Form DTF-803.

#### **EXEMPT TRIBES OR NATIONS**

Cayuga  
Oneida Indian Nation  
Onondaga Nation of Indians  
Poospatuck  
St. Regis Mohawk  
Seneca Nation of Indians  
Shinnecock  
Tonawanda Band of Senecas  
Tuscarora Nation of Indians

#### **QUALIFIED RESERVATIONS**

Allegany Indian Reservation  
Cattaraugus Indian Reservation  
Oneida Indian Territory  
Onondaga Indian Reservation  
Poospatuck Indian Reservation  
St. Regis Indian Reservation  
Seneca Nation of Indians  
Shinnecock Indian Reservation  
Tonawanda (Band of Senecas) Indian Reservation  
Tuscarora (Nation of Indians) Indian Reservation

**BOX 12** - Military personnel (motor vehicles only)

**MILITARY PERSONNEL (Motor Vehicles Only) New York State Resident who purchased the vehicle outside NYS while in Military Service.**

**BOX 13** - Farm production and commercial horse boarding operation

**FARMERS AND COMMERCIAL HORSE BOARDERS EXEMPTION- Sales tax is not due on motor vehicles and trailers that are and used exclusively on a farm or commercial horse boarding operation.**

**BOX 14** - Other exemption

**OTHER - When checking OTHER, the customer must write an explanation in the space provided. Some examples are:**

**Raffle** - Sales tax is not due on vehicles won in a raffle. Proof such as a letter from the organization announcing the winner is required substantiating the transfer.

Sometimes, the winner will be permitted to add options or upgrade the vehicle by paying the difference between the value of the vehicle won and the value of the vehicle chosen. If this happens, the dealer must collect sales tax on the difference.

**Vehicles Purchased from Exempt Organizations** -Vehicles purchased or received as a gift from an exempt organization are exempt from sales tax, even if the person receiving the vehicle is an employee of the organization. However, if the vehicle is purchased through a shop or store operated by the exempt organization, or if a vehicle is purchased from the State of New York or the Federal Government, their agencies, or political subdivisions, sales tax must be paid by the purchaser.

The new owner must present a bill of sale and a copy of the exempt organizations Exempt Organization Certificate (ST-119.1) carrying its exempt organization number to substantiate the sale. Attach a copy of the ST-119.1 to the DTF-803. You may waive the requirement for the ST.119.1 or exemption number if the seller is a known exempt organization, such as the Red Cross, or Roman Catholic Church.

**Corporate Transfer** - Exemption from sales tax for certain corporate transfers are allowed.

**Partnership Transfer** - Exemptions from sales tax for certain corporate transfers are allowed.

- **For Office Use Only must be completed**

***\*most used by Partners***

***If the state is not a RECIPROCAL STATE, they cannot submit a DTF-803 they must submit a DTF-802***

## **DTF-804 Credit of Sales Tax paid to Another State**

Is used when a New York resident purchases a vehicle out-of-state, registers the vehicle in New York State and applies for credit for the sales tax paid in the other state.

**A New York State resident who purchases a motor vehicle outside the state becomes liable for a use tax when the vehicle is brought into the state. However, if the buyer paid a sales tax to the state where the vehicle was purchased, and that state has a reciprocal tax agreement with the State of New York, then the buyer will be granted a credit against the use tax due to New York State for the tax paid (or portion of the tax paid) to that state.**

**Be sure that the New Owner and the Sellers information has been entered on the form. Also check that the vehicle information has been entered. The date of purchase portion should be completed. If the vehicle was used outside the state for a period of six**

**months or more before it was brought into this state, the date the vehicle entered New York State should also be written in. The name of the state to which the new owner paid a sales tax must be completed.**

**The Social Security Number or Federal EIN is a required entry.**

The DTF-804 includes all instructions required by the client and lists the states for which New York State has a reciprocal agreement.

If proof of payment of tax to another state (sellers' invoice or a receipt) is not available, the client must use Form DTF-802 and pay sales tax. If proof can be obtained at a later date, the client can request a refund from the Tax Department using form [DTF-806](#).

- **For Office Use Only must be completed**
- 1. **If the state is not a RECIPROCAL STATE, they cannot submit a DTF-804 they must submit a DTF-802**
- 2. **If the RECIPROCAL STATE is collecting the full tax rate the DTF-804 must be completed. The DTF-803 Exemption is not acceptable.**

**Full rate eligible  
for credit**

Arizona  
California  
Florida  
Hawaii  
Massachusetts  
Michigan  
South Carolina  
Wyoming

**No New York State Credit currently allowed**

Alabama	New Hampshire
Alaska	Nevada
Arkansas	New Jersey
Colorado	New Mexico
Connecticut	North Carolina
Delaware	North Dakota
District of Columbia	Ohio
Georgia	Oklahoma
Idaho	Oregon
Illinois	Pennsylvania
Iowa	Rhode Island
Kansas	South Dakota
Kentucky	Tennessee
Louisiana	Texas
Maine	Utah
Missouri	Vermont
Minnesota	Virginia
Mississippi	Washington
Montana	West Virginia

Nebraska

Wisconsin

**Maryland** – Credit is allowed only against the 4% **state** portion of the New York State tax for the Maryland excise tax on motor vehicles. Enter on line 5 the lesser of the 4% New York State rate or the Maryland rate.

**Indiana** – Credit is allowed only against the 4% **state** portion of the New York State tax for tax paid to Indiana. Enter on line 5 the lesser of the 4% New York State rate or the Indiana rate.

### **All-terrain vehicles (ATVs), snowmobiles, vessels, and trailers**

#### **Full rate eligible for credit**

Alabama	Nevada
Arkansas	New Jersey
Arizona	New Mexico
California	North Dakota
Colorado	Ohio
Connecticut	Pennsylvania
District of Columbia	Rhode Island
Florida	South Carolina
Hawaii	South Dakota
Idaho	Tennessee
Illinois	Texas
Kansas	Utah
Louisiana	Vermont
Maryland	Virginia
Massachusetts	Washington
Michigan	West Virginia
Missouri	Wyoming
Nebraska	

#### **No New York State credit currently allowed**

Alaska  
Delaware  
Maine  
Montana  
New Hampshire  
Oregon

#### **Special rules**

For more information, see Tax Bulletin ST-765 (TB-ST-765), *Reciprocal Credit for Sales or Use Taxes Paid to Other Taxing Jurisdictions*.

**Georgia**

**North Carolina**

**Oklahoma**

Credit against the 4% **state** portion of the New York State tax is allowed for the state portion of the tax paid to these states. Also, credit is allowed against the local portion of the New York State tax for the local portion of the tax paid to these states. However, no credit is allowed against the state portion of the New York State tax for the local portion of the tax paid. No credit is allowed against the local portion of the New York State tax for the state portion of the tax paid.

Indiana  
Iowa  
Kentucky  
Minnesota

Credit is allowed only against the 4% state portion of the New York tax for the state portion of the tax paid to these states. Enter on line 5 the lesser of the New York State rate or the applicable state rate.

#### Mississippi

Credit against the **state and local** New York tax is allowed only for the **state** portion of the tax paid to Mississippi. No credit is allowed against New York's **local** taxes for any **local** tax paid to Mississippi. Enter on line 5 the Mississippi state tax rate only.

**When processing this type of transaction, the “**RATE**” will always be the remaining tax to be collected.**

#### Example:

Florida collected 4% sales tax to a customer living in Bronx county where the tax is 8.875% the “**RATE**” will be 4.875%