

Instructions

Use this form to compute and claim the credit allowed for sales tax paid to another state for motor vehicles, all terrain vehicles (ATV), vessels (boats), or snowmobiles.

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 New York State, **and the buyer is not entitled to a refund of the tax from the other state**, then the buyer will be granted a credit against the use tax due to New York State for the tax paid (or a portion of the tax paid) to that state.

- Enter the new owner information. Complete all entries.
- Enter the name and address of the person from whom the vehicle was purchased.
- Enter the vehicle identification information.
- Enter the date of purchase. If the vehicle was used outside the state for a period of six months or more before it was brought into this state, also enter the date the vehicle entered New York State.
- Enter the name of the state to which the sales tax was paid as a result of the new owner's purchase of this vehicle.

Line 1 – Enter the purchase price. Purchase price includes any monetary consideration, the value of any property exchanged or traded (other than a trade-in allowance granted by a dealer) and any assumption of a debt or liability of the seller.

Line 2 – If the state which first collected the tax computed its tax on an amount other than the vehicle's purchase price, enter the actual taxable amount.

Line 3 – Enter the tax rate of the other state. Note: some states tax vehicles at a special rate.

Line 4 – Enter the total amount of tax paid. This must be evidenced by the seller's invoice or a receipt from the appropriate state agency that collected the tax.

Line 5 – Enter the tax rate eligible for credit. If the state to which the tax was paid appears in the list of states in *Box I*, the maximum tax rate eligible for credit is 4%. If the state to which the tax was paid appears in *Box II*, the maximum tax rate eligible for credit can be no higher than the rate of tax imposed within your jurisdiction of residence (line 8). Under no circumstances may the rate of credit claimed exceed the rate shown on line 3. If the state to which the tax was paid appears in *Box III*, no credit is allowed.

Line 6 – Enter the amount that is subject to the New York State sales tax. This will be the same amount as entered on line 1, or the fair market value of the vehicle (whichever is lower) if the vehicle was used outside the state for more than six months before it was brought into this state. Fair market value is generally determined from values established by private companies such as the NADA.

Line 7 – Multiply the amount from line 6 by the tax rate from line 5 and enter the result.

Line 8 – Enter the tax rate imposed within your jurisdiction of residence.

Line 9 – Multiply the amount entered on line 6 by the tax rate from line 8 and enter the result.

Line 10 – Enter the amount from line 4 or the amount from line 7, whichever is less.

Line 11 – Subtract the amount on line 10 from the amount on line 9 and enter the result; this is the amount of tax owed to New York State after applying the credit for tax paid to the other state.

Box I

New York State Credit for State Tax Only:

Alabama	Minnesota
Colorado	Missouri
Idaho	South Carolina
Kentucky	

Box II

New York State Credit for State and Local Tax:

Arizona	Maryland	Pennsylvania
Arkansas	Massachusetts	Rhode Island
California	Michigan	South Dakota
Connecticut	Mississippi	Tennessee
Florida	Nebraska	Texas
Georgia	Nevada	Utah
Hawaii	New Jersey	Vermont
Illinois	New Mexico	Virginia
Iowa	North Carolina	Washington
Kansas	North Dakota	Wisconsin
Louisiana	Ohio	Wyoming
Maine	Oklahoma	

Box III

No Credit Allowed:

Alaska	Montana
Delaware	New Hampshire
District of Columbia	Oregon
Indiana	West Virginia

Privacy notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions, and forms, is found in Articles 8, 18-A, 28, and 28-A of the Tax Law; and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer sales and use tax liabilities under the Tax Law, and for any other purpose authorized by law.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the Registration and Data Services Bureau, NYS Tax Department, Building 8 Room 924, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.