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Changes to the New York Highway Use Tax Registration Provisions

STATE AND LOCAL TAX, TRANSPORTATION & LOGISTICS
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Pursuant to a ruling by New York State Supreme Court Justice James H. Ferreira that declared New York State's Highway Use Registration and Decal taxes unconstitutional, the state has revised its fee structure effective April 13, 2016.

In addition to a per-mile fuel tax, both in-state and out-of-state truck operators were previously required to pay a \$15 per vehicle registration fee and a \$4 decal fee for operating their trucks on New York highways. The fees/taxes were not apportioned based on the operator's actual use of the state's highways. The Owner-Operator Independent Drivers Association, along with individual operators, brought suit against the state, arguing that the fees discriminated against out-of-state operators. The court ruled in favor of the plaintiffs and held that the fees violate the Commerce Clause of the U.S. Constitution. Justice Ferreira's order included an injunction that permanently barred the state from collecting the taxes.

Accordingly, the state revised its Highway Use Tax rules and repealed both the registration fee and decal fee. Effective April 13, 2016, the former fees were replaced by a new single application fee of \$1.50.

If you have any questions as to how your business could be affected by the New York Supreme Court's ruling or if you feel there may be an opportunity to recover taxes that you overpaid, [please contact a member of our State and Local Tax Group](#).

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