

Transportation and Related Services Provided by Movers

The following memorandum outlines the application of sales and use tax to certain sales made by a mover in connection with transportation services.

Sales made by a mover in connection with a transportation service would include services such as packing and unpacking, hoisting and loading, taking up and relaying carpet, preparing appliances to prevent damage in transit, cleaning the premises from or to which the shipment is being moved, and storage-in-transit. Sales are also made of some of the materials used by movers.

Although some of the services performed by movers would be subject to tax under section 1105(c)(3) or (5) of the Tax Law if performed by a person not in the employ of the mover, these services would be exempt if they are performed by a mover as an incident to, and in connection with the transportation service. All of the services previously mentioned would fall in this category, except storage-in-transit.

Storage-in-transit is recognized as being incidental to the transportation service only where the period of such storage does not exceed thirty (30) days. If the period of storage does exceed 30 days, the storage charge for the full period is taxable.

Packing materials which do not become the property of the customer are tangible personal property subject to tax when purchased by the mover. Packing materials which do become the property of the customer may not be subject to tax when purchased by the mover, but only if the mover furnishes his supplier with a properly completed Resale Certificate, separately states the charges for these materials when he bills his customer, and collects the tax on such charges if delivery occurs in New York State. A mover who pays tax on his purchase of packing materials may be entitled to a credit or refund of tax if he subsequently resells these materials.

Where the mover delivers the shipment to another state or to a commercial vessel or airline for delivery to a foreign country, the charges for packing materials if separately stated on the bill, would not be subject to tax. Where the mover delivers to a commercial vessel or airline, however, he must obtain a certificate confirming that the destination of the property is to a foreign country. In either transaction, even though the packing materials are not subject to tax when the shipment is delivered to another state or to a foreign country, the mover may purchase packing materials for resale only when his charges for these materials are separately stated on the bill.