



Household Movers and Warehouseurs - Sales of moving services and related transactions

Introduction

This bulletin provides information on New York State and local sales taxes (sales tax) as they apply to household movers and warehouseurs. It also answers questions generally encountered in the operation of a moving or warehousing business. This bulletin:

- describes the kinds of moving services typically provided by movers and warehouseurs, and
- explains when movers and warehouseurs must collect sales tax on these services.

See also Tax Bulletin [Household Movers and Warehouseurs - General \(permanent\) storage and portable storage containers \(TB-ST-340\)](#), for additional information.

Imposition of sales tax

New York State's sales tax is generally imposed on the receipts from every sale of tangible personal property and on the receipts from the sale of certain services.

The service of transporting household goods (moving service) is not subject to sales tax unless the charge is included as part of the bill for the sale of taxable property or services (e.g., a charge for shipping as part of the sale of taxable tangible personal property).

A charge for general storage unrelated to moving services is subject to sales tax. See Tax Bulletin [Household Movers and Warehouseurs - General \(permanent\) storage and portable storage containers \(TB-ST-340\)](#).

Note: Charges for transportation arranged by a seller of taxable property or services, and charges for the assembly or installation of taxable property, are part of the receipt from the sale of the property or services and are subject to sales tax.

Moving services

Local, intrastate, interstate, or international moving services provided by household movers are not subject to sales tax. *Moving services* include moving household goods to and from any destination. Moving services include moving items from a building to a truck, from a truck to a building, or moving items within a building, whether or not truck transportation is provided. Office moves are treated the same as household moves.

Storage in transit

Storage in transit occurs in the context of a moving service when events delay the delivery of goods by the mover to the customer's destination, and the stored property is the responsibility of the mover.

The Tax Department will recognize storage in transit as incidental to the provision of an exempt transportation service, and as a result not taxable, if all of the following conditions are met:

- The mover is providing its customer a transportation service. That is, the mover provides its customer with a bill of lading specifying a destination address that is:
 - different from the address where the mover picks up the property to be moved, and
 - different from the location where the mover would provide storage.
- The mover is responsible to the customer for any loss or damage to the property during the storage-in-transit period.
- The mover remains responsible, during the storage-in-transit period, to complete the moving process.
- Any charge for storage in transit made or identified prior to the commencement of the transportation service does not exceed the amount of the charge for the transportation.

Additionally, in determining whether an exempt storage-in-transit period has ended, the Tax Department will look at whether the provisions of [section 375.609 of Title 49 of the Code of Federal Regulations](#) have been complied with in the case of a moving service subject to the provisions of Part 375 of such Title.

Movers should keep complete and accurate records to substantiate a period of exempt storage in transit and when that period ends. When providing exempt storage in transit a mover cannot purchase the storage for resale and must pay sales tax to any third party from which the mover purchases storage services. See [TSB-M-14\(16\)S](#), *Revised Tax Department Policy on Storage in Transit*, for additional information.

Example: A business contracts with A-Z Moving, a national motor carrier, to transport a truckload of office fixtures from Buffalo to a new office location in New York City. The total charge for the moving service is \$12,500.

When A-Z Moving's driver arrives in New York City, the new office is not yet ready due to electrical problems. A-Z Moving's driver takes the fixtures to a warehouse in New York City for storage. The warehouse is owned and operated by Bob's Moving and Storage, an independently owned local company that is an agent of A-Z Moving. Bob's Moving and Storage charges A-Z Moving \$40 per day to store the fixtures.

A-Z Moving's contract with its customer provides that A-Z Moving will be responsible for storage in transit of the fixtures, and for final completion of the move, for a period of up to 60 days for an additional charge of \$45 per day. The customer has no say in where the storage of the fixtures occurs. Since the storage is incidental to the exempt moving service, the additional charge is exempt as storage in transit.

If the new office is not ready by the end of the 60-day storage-in-transit period specified in the original moving contract, and no new moving contract is entered into by A-Z Moving and its customer, the storage is no longer considered to be exempt as incidental to the transportation service.

During the period of storage in transit, Bob's Moving and Storage is selling A-Z Moving taxable storage services. As a result, A-Z Moving cannot buy the storage services for resale and must pay sales tax to Bob's Moving and Storage at the combined state and local tax rate in effect at the location of the warehouse in New York City. The sale of storage services by Bob's Moving and Storage to A-Z Moving is subject to New York State sales tax regardless of the fact that Bob's Moving and Storage is a local agent of A-Z Moving.

If A-Z Moving continues to purchase storage services from Bob's Moving and Storage after the 60-day storage-in-transit period and charges its customer for storage of the fixtures, A-Z Moving can purchase the storage services from Bob's Moving and Storage for resale to its customer. A-Z Moving must charge its customer sales tax.

If the customer pays Bob's Moving and Storage directly to provide continued storage of the fixtures, that charge is subject to sales tax.

In either case, the charge to the customer for storage is subject to the combined state and local tax rate in effect at the location of the warehouse in New York City, since that is where the taxable storage service originated for the customer at the end of the period of storage in transit.

A mover selling taxable storage must register for New York State sales tax purposes, but may use [Form ST-120, Resale Certificate](#), to purchase storage from a third party for resale. See Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#).

Sales to exempt entities

If the customer is an exempt governmental entity, the mover does not need to collect sales tax on its sales of any taxable storage services provided the mover receives a governmental purchase order or a government contract to document the exempt sale. If the customer is an exempt organization claiming a sales tax exemption, the customer must give the mover or warehouse a properly completed Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, to verify the customer's exempt status. If the mover pays a third party to provide the storage, the mover can issue [Form ST-120, Resale Certificate](#), to the storage provider to purchase the storage for resale. However, if the mover pays a third party to provide storage during a period of storage in transit, that payment is subject to sales tax.

Packing materials

Materials sold to customers

Any sales of cartons, boxes, barrels, covers, crates, paper for padding, bubble wrap, Styrofoam peanuts, and like materials directly to a customer for use by that customer in packing are taxable if the customer takes possession of the materials in New York State. A mover that makes these sales must be registered for sales tax purposes. See Tax Bulletins [Do I Need to Register for Sales Tax? \(TB-ST-175\)](#) and [How to Register for New York State Sales Tax \(TB-ST-360\)](#).

Packing materials that are resold to the customer and become the property of the customer will not be subject to tax when purchased by the mover if the mover furnishes the supplier with a properly completed [Form ST-120, Resale Certificate](#). A mover who pays tax on the purchase of packing materials may be entitled to a credit or refund of tax if those materials are later resold to and become the property of the mover's customer. See Tax Bulletin [Sales Tax Credits \(TB-ST-810\)](#).

If the customer is an exempt governmental entity, the mover does not need to collect sales tax on its sales of packing materials provided the mover receives a governmental purchase order or a government contract to document the exempt sale. If the customer is an exempt organization claiming a sales tax exemption, the customer must give the mover a properly completed Form ST-119.1, *Exempt Organization Exempt Purchase Certificate*, to verify the customer's exempt status.

Materials used by movers

All items used and consumed by a mover in providing moving services (e.g., tape, markers, paper for padding, bubble wrap, Styrofoam peanuts, cartons, boxes, etc.) are subject to tax at the time of purchase by the mover. If the mover purchases materials without paying sales tax (for example, the mover purchases these items from an out-of-state vendor who does not collect New York State and local sales taxes) and uses the materials as part of its moving services, the purchase price of the materials is subject to use tax at the rate in effect where the mover first uses the items. See Tax Bulletin [Use Tax for Businesses \(TB-ST-910\)](#).

Services provided by movers

The services of packing, unpacking, loading, and unloading goods, etc., by a mover are considered incidental to the moving services and are not taxable.

Charges for packing services provided in connection with a move into or out of permanent storage, when the mover is a third party and not the provider of the storage service, are considered part of the overall moving services.

Example: Mr. T has a large collection of antiques on display at his home. Mr. T's elderly mother-in-law is coming to live at his home. To make room for her, Mr. T must remove some of his antiques from his home. He contracts with DEF Storage to store his antiques. He separately contracts with Tom's Trucks to pack and transport the antiques to the storage facility. Mr. T's payment to DEF Storage for storage of the antiques is taxable, while his separate payment to Tom's Trucks for transportation is not taxable.

When a mover hires a third party to crate an item for transport, the entire charge by the third party to the mover is subject to sales tax. When the mover charges the customer for the crating services, the charge is part of the moving services and is not taxable.

Disassembly or disconnecting at origin, and reassembly or installation at destination

Certain belongings are disassembled or uninstalled before they are moved, or may require special packing or crating to be moved without being damaged. These items are then reassembled or reinstalled at the customer's new location. In some instances, the mover's own employees will perform these services as part of the overall moving service. Other times, the mover may hire a third party to perform these services.

Disassembly and dismantling services

Separately stated and reasonable charges by the mover to its customer, or charges by a third party to the mover, for disassembly and dismantling services are not subject to sales tax.

Assembly and installation services

Whether separately stated charges by the mover to its customer for assembly or installation services performed inside New York State are subject to sales tax depends on the nature of the service performed. Similarly, the nature of the services performed determines whether charges by a third party to the mover for assembly or installation services are subject to tax.

If the property installed **does not** become an integral part of the real property at the customer's destination (e.g., beds, pianos, exercise machines, pool tables, etc.), charges by the mover to its customer, or charges by a third party to the mover, for the assembly or installation services are subject to sales tax.

However, if the property **does** become an integral part of the real property at the customer's destination (e.g., certain appliances, chandeliers, certain hot tub installations, etc.) the installation services may qualify as a capital improvement. See Tax Bulletin [Capital Improvements \(TB-ST-104\)](#), for more information on taxable and exempt installations.

Unpacking and removal of packing materials

Most household movers will unpack a customer's belongings at the customer's destination for an additional fee. This service usually includes the removal of boxes, packaging, and other packing materials once the unpacking is complete. The mover's service of unpacking a customer's belongings and removing any packing materials is considered part of the overall moving services and is not subject to sales tax.

If the mover hires a third party to remove packing materials, the charge by the third party to the mover is subject to sales tax at the rate in effect where the service is performed in New York State. When the mover passes these charges through to the customer, the charges are part of the overall moving services and are not taxable.

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: Sections 1105(a) and 1105(c)

Memoranda: [TSB-M-14\(16\)S](#), *Revised Tax Department Policy on Storage in Transit*

Bulletins:

[Capital Improvements \(TB-ST-104\)](#)

[Do I Need to Register for Sales Tax \(TB-ST-175\)](#)

[Household Movers and Warehouse - General \(permanent\) storage and portable storage containers \(TB-ST-340\)](#)

[How to Register for New York State Sales Tax \(TB-ST-360\)](#)

[Sales Tax Credits \(TB-ST-810\)](#)

[Use Tax for Businesses \(TB-ST-910\)](#)