

# PERMITAX NEWS

## FUEL AND MILEAGE TAX INFORMATION

### Court Vacates NY State's Highway Use Certificate and Decal Fees

**February 5, 2016**

New York State's Supreme Court has ruled as unconstitutional the highway-use registration and decal fees imposed on all trucks that operate in New York State.

As reported by Heavy Duty Trucking, the decision was handed down in late January. It resolved a class action law suit filed back in 2013 by the Owner Operator Independent Drivers Association and others.

Lawyers for the plaintiffs argued that in addition to a pay per-mile tax, New York State required operators, both in-state and out-of-state, to pay equally a \$15 per vehicle registration fee and a \$4 decal fee regardless of the number of miles they travel in New York State. This resulted in a higher per mile tax rate being imposed on out-of-state trucks, the lawyers said.

In its ruling, the Court held that the taxes violate the Commerce Clause of the U.S. Constitution by discriminating against out-of-state operators." The court immediately prohibited the NY State Tax Department from collecting the decal and certificate of registration fees. This week the state online credentialing and registration system (OSCAR) was shut down.

OOIDA's business services department is reminding all trucking businesses that although the New York HUT certificate/decal fees are enjoined, effective now, the NY Highway Use Tax (HUT) still needs to be filed and paid. OOIDA advises that all the New York decals be kept until further notice.

It is unclear at this time whether the state will eventually appeal the decision.



105 BAUER PLACE, WATERLOO ON N2L 6B5

PHONE: (877) 376-4829

FAX: (519) 886-5214