

# Instructions for Form MT-903

## Highway Use Tax Return

<p>Please keep for your records.</p>
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### Who Must File a Return

If you have been issued a highway use permit or you operate a motor vehicle (as defined in Article 21 of the Highway Use Tax Law) in New York State, you must file Form MT-903, *Highway Use Tax Return*, even if no tax is due.

Form MT-903 is filed monthly, quarterly or annually, based on the amount of the previous full year's tax liability:

- Monthly - more than \$4,000
- Annually - \$250 or less (with Tax Department approval)
- Quarterly - all others, including carriers not subject to tax in the preceding calendar year.

We will send you Form MT-903. If you do not receive Form MT-903, contact the NYS Tax Department at the address or telephone numbers listed under **Need Help?** on page 4.

### When and Where to File

File your return by the last day of the month following the end of the reporting period. The date of the US postmark will be considered to be the date of delivery for returns and payments.

Mail your return and payment (payable to the **Commissioner of Taxation and Finance**) to P O Box 1913, Albany NY 12201-1913, in the envelope provided. Your payment should be the full amount on line 23.

### General Instructions

Form MT-903 has three sections: Section I, *Truck Mileage Taxes*, Section II, *Fuel Use Tax*, and Section III, *Total Tax Due*. Refer to the three boxes to the right of the name and address space. Complete the sections checked with an "X."

If any of the preprinted information on the front of Form MT-903 is incorrect, complete Form DTF-95, *Change of Business Information*, and attach it to your return. If you do not have this form, call toll free (from New York State only) 1 800 462-8100; from areas outside New York State, call (518) 438-1073. **Do not change any preprinted data** or use another form.

### Front Page — Section I — Truck Mileage Taxes

Complete Schedule A and Schedule B on the back of the return. Enter totals on lines 1(a) and 1(b) on the front of the return.

**Item 1(a)** - Complete Schedule A on the back of Form MT-903 and enter the total tax from column (J). See the instructions for Schedule A that begin on page 2.

**Item 1(b)** - Complete Schedule B on the back of Form MT-903 and enter the total tax from column (Q). See the instructions for Schedule B that begin on page 2.

**Item 1(c)** - Add items 1(a) and 1(b).

**Item 1(d)** - You may take credit for prior mileage tax (TMT) overpayment. Do not enter more than the amount of tax reported in item 1(c). You may apply any unused portion of the prior overpayment against the fuel use tax due this quarter on line 18, or if no tax is due, against any mileage tax, fuel use tax or penalty and interest that may be due within two years from the date of the overpayment. For a refund of TMT overpayments, file Form DTF-406, *Claim for Refund*, separately.

**Item 1(e)** - Subtract the amount in item 1(d) from the tax reported in item 1(c).

### Section II - Fuel Use Tax

At line 2 on the front of Form MT-903, check one box (2(a), 2(b), 2(c) or 2(d)).

Check box 2(a) if you are an intrastate carrier and if all motor vehicles operated on the public highways of New York State used only fuel upon which New York State fuel and sales taxes have been paid. Enter **none** on line 19. If a motor vehicle is operated outside New York State, you may compute a credit by checking box 2(d) and completing lines 3-19.

Check box 2(b) if you did not operate a motor vehicle on New York State public highways during the reporting period. Enter **none** on lines 4 and 19.

Check box 2(c) if you leased motor vehicles and the fuel use tax will be paid by someone else. If you have only New York State highway use permits for automotive fuel carrier trailers and will not be reporting the fuel use tax incurred by power units because those permits are issued in another name, check box 2(c) and enter **no power units** on line 4, and **none** on line 19.

Check box 2(d) if you operated a motor vehicle on New York State public highways or otherwise incurred taxable mileage. Complete lines 3 through 19.

**Line 3** - Enter the total miles traveled both inside and outside New York State by motor vehicles, including buses that entered the state during the reporting period. Include miles traveled by tractors with no trailers. Use whole miles.

**Line 4** - Enter the total miles traveled in New York State during the reporting period. Include miles traveled on the New York State Thruway and miles traveled by tractors with no trailers. Use whole miles. Enter **none** if you checked box 2(b). Enter **no power units** if you checked box 2(c).

**Line 5** - Divide line 4 by line 3 and enter the decimal ratio. Carry to the nearest four decimal places (e.g., .0001).

**Line 6** - Enter the total gallons of fuel used in operations both inside and outside New York State by motor vehicles that entered the state during the reporting period. Include fuel used on the New York State Thruway. Use whole gallons.

**Line 7** - Multiply the number of gallons on line 6 by the decimal ratio on line 5 and enter the result. This is the number of gallons of fuel used in operations within New York State. Use whole gallons.

**Line 8** - Enter the total number of gallons of fuel purchased tax paid (fuel upon which New York State fuel and sales taxes have been paid) in New York State during the reporting period for use in operations both in and outside this state. Tax-paid fuel does not include fuel sold to another entity, fuel put into a vehicle that is being reported by another (e.g., a leased vehicle), or fuel that has not been transferred to the fuel tanks of motor vehicles. Use whole gallons.

**Line 9a** - If line 7 is more than line 8, subtract line 8 from line 7. If line 8 is equal to or more than line 7, enter "0".

**Line 9b** - If line 8 is more than line 7, subtract line 7 from line 8. If line 9 is equal to or more than line 8, enter "0".

**Line 10** - Multiply line 9a, column (a) by the aggregate tax rate shown on the return and enter the result.

**Line 11** - Multiply line 9a, column (b) by the aggregate tax rate shown on the return and enter the result.

If you maintain substantiating records, you may compute the sales tax components for diesel and other motor fuel based on the average price per gallon of these fuels used during the reporting period instead of using the prevailing price sales tax component included in the aggregate tax rate shown on the return. To compute the sales tax components separately for diesel fuels and for other motor fuels:

- Determine the total cost of fuel used during the reporting period, including federal, state and local taxes, but not including any state or local sales taxes.
- Divide this amount by the total number of gallons of fuel you purchased for use in your operations (either inside or outside New York State) to arrive at the average price per gallon.
- Compute the sales tax component by multiplying the average price per gallon by 7% (rounding to the nearest tenth of a cent; e.g., .08753 = .088).
- Subtract the sales tax component included in the aggregate tax rate imprinted on the return and add the resulting sales tax component.

If the rates you calculated are different from the preprinted rates on the return, indicate your rates in the boxes on lines 10 and 11, and use them in computing the fuel use tax liability.

**Line 12** - Add lines 10 and 11.

**Line 13** - Multiply line 9b, column (a) by the tax rate shown on the return. Credit for sales taxes paid on fuel purchased in New York State but not used in New York State is not allowable.

**Line 14** - Multiply line 9b, column (b) by the tax rate shown on the return. No credit is allowed for sales taxes paid on fuel purchased in New York State but not used in New York State.

**Line 15** - Add lines 13 and 14.

**Line 16** - If line 15 is more than line 12, subtract line 12 from line 15. The balance is a credit accrued this reporting period and may be carried forward and applied against any fuel use tax liability accrued within the following 24-month period. If a tax similar to the fuel tax component is paid to another state, you may apply for refund. File Form MT-906, *Claim for Fuel Use Tax Refund*, within 24 months from the end of the reporting period that created the refund. The refund will reduce your fuel use tax credit on a gallon per gallon basis at the fuel tax component rate.

**Line 17** - If line 12 is more than line 15, subtract line 15 from line 12. This is the tax due this period.

**Line 18** - If you have a prior fuel use tax or mileage tax credit, enter the amount needed to satisfy any fuel use tax liability shown on line 17. Only unused fuel use tax credits and unused mileage tax credits may be applied to the tax due. Fuel use tax credits expire 24 months after the end of the return period from which the credit was derived, and the mileage tax credits expire 2 years after the payment was made. Note, however, that fuel use tax credits from tax returns (line 16) covering a period ending before January 1, 1991, could only be used in the 4 succeeding calendar quarters.

**Line 19** - Subtract line 18 from line 17. This is the amount of fuel use tax due for the reporting period. If there is no fuel use tax due, enter "0" on this line. Enter *none* if you checked box 2(a), 2(b) or 2(c).

### Section III - Total Tax Due

**Line 20** - Add the amount in Section I, box 1(e), and the amount on Section II, line 19. This is the combined total tax due.

**Line 21** - If you are not filing this return on time, enter the amount of penalty.

Penalty is imposed at the rate of 10% of the tax due for the first month or fraction of a month and 1% for each following month or fraction of a month in which the tax remains unpaid, up to a maximum penalty of 30%.

If your return is more than 60 days late, the penalty is the lesser of the tax due or \$100, but not less than the penalty computed in the preceding paragraph.

**Line 22** - Interest is computed at the rate set by the Commissioner of Taxation and Finance and is compounded daily. It is computed from the day the tax was due until the day the tax is paid. If you need help figuring interest, call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

**Line 23** - Add lines 20, 21 and 22. This is the amount due.

**Line 24** - Attach a check or money order payable in U.S. funds for the amount on line 23 to the **Commissioner of Taxation and Finance**. Include your identification number and the period covered by the return on your check or money order. Enter the payment amount on line 24.

### Certification

Sign and date the return and enter your official title. Only the taxpayer or an authorized agent may sign the return.

Complete the entire certification section.

**Certified returns** - To receive a certified copy of your MT-903 return, enclose a copy of your return and a self-addressed, stamped envelope with your return. Check the box at the bottom of the front page of your return. We will send you your copy, certifying receipt of your return.

### Back Page — Indicate Filing Method

Check the appropriate box to indicate which method you are using to compute the mileage tax — the gross weight method or the unloaded weight method. Choose the method that best suits your operations; one may be more economical or convenient for you. The two methods are described below in the instructions for Schedules A and B. If this is the first return filed for the calendar year, you may use either method; otherwise, you must use the same method that you used on the first return filed for the calendar year. If you use the gross weight method, you may use either the straight line option or the heaviest weight option for any return filed during the calendar year. You must use the same method for all motor vehicles. Please note that the gross weight of a tow truck does not include the weight of any disabled vehicle it pulls.

Use the tables on the back of Form MT-903 to compute the tax. Use Tables 1, 2 and 3 if you chose the gross weight method and Tables 4 and 5 if you chose the unloaded weight method. The tax rates per mile and the basis for computing the mileage tax for the two methods differ. The highest rate per mile to be used with both Schedule A and Schedule B under the unloaded weight method is .033, whereas under the gross weight method the rate is graduated without limitation.

### Schedules A and B

Use Schedules A and B to report New York State travel for which you are responsible. The tax rate used for Schedule B is the same as that used for Schedule A. Enter the tax from Schedules A and B in Section I, items 1(a) and 1(b) respectively.

Reportable miles on Schedule A include all truck and tractor travel in New York State, including New York Thruway miles.

Reportable miles on Schedule B include all travel included in Schedule A **except travel on the Thruway** subject to a toll, and travel during any month by trucks and tractors used almost exclusively in the month to transport boltwood, logs, pulpwood, wood chips or bulk raw milk if you operate three or fewer such vehicles. If you need more than 20 lines, use Form TMT-3.13, *Continuation Sheet for Highway Use Tax Returns*, or a facsimile of Form TMT-3.13.

*Almost exclusively* means that 90% or more of a motor vehicle's monthly New York laden miles, whether operated alone or in combination, result from transporting logs, boltwood, pulpwood, woodchips or raw unprocessed milk in bulk. If you use a motor vehicle for more than 10% of the motor vehicle's New York laden miles during any month for any other purpose, all mileage traveled on New York State highways by the motor vehicle during the month is taxable and must be reported on Schedule B.

*Logs* are unshaped timber over six feet long, ready for sawing and commonly used for making lumber. *Boltwood* is short log sections, six-feet long or less, to be sawed or cut, and commonly used for specialized items, as in the case of the wood turnery industry. *Pulpwood* is wood for pulp commonly used in making paper. *Woodchips* are small, usually thin, flat pieces of wood cut, struck or flaked that are commonly used in making composition board and pulp.

Do not report bus mileage on Schedules A and B.

Follow the instructions for Schedules A and B for the method you will be using. Include only the trucks and tractors on which you are paying tax. Instructions for the gross weight method begin below; instructions for the unloaded weight method are on page 4.

### Gross Weight Method

If you use the gross weight method, you must use it for every truck and tractor with a gross weight of more than 18,000 pounds operating on New York State public highways during the reporting period.

You may use either the straight line option or the heaviest weight option for any tax period of a calendar year in which you use the gross weight method. You must use the same option for all trucks and tractors required to be included in the return. The election to use the heaviest weight option is irrevocable for any tax period in which it has been used.

Instructions for the heaviest weight option begin on page 3.

**Gross Weight Method, Straight Line Option****Instructions for Schedule A**

**Column (A)** - List the current permit number of each truck and each tractor you operated on New York State public highways during the reporting period for which you will pay the mileage tax.

First, list all tractors with a gross weight of more than 18,000 pounds. Enter the permit number of a tractor twice if it operates in New York State both with and without a trailer, dolly, cart, compressor or other attached device.

Next, list all trucks with a gross weight either alone or in combination, of more than 18,000 pounds. Enter the permit number of a truck twice if it operates in New York State both with and without a trailer, dolly, cart, compressor or other attached device and its gross weight, both alone and in combination, is more than 18,000 pounds.

Finally, list tractors and trucks with a gross weight of more than 18,000 pounds for which permits were issued to another carrier and you are paying the tax. Identify this group as **Motor Vehicles Operated on Permits of Others**.

Do not list motor vehicles that incurred no tax. Account for them by entering **Other Permitted Motor Vehicles Incurred No Tax**.

Also do not list motor vehicles for which the mileage tax will be paid by others. Account for them by entering **Other Permitted Motor Vehicles Will Be Reported by Others**.

**Column (B)** - Enter the gross weight shown on the highway use tax permit for each vehicle in column (A) except:

- a tractor that operated alone (enter "0")
- a truck that operated alone but which occasionally operated with a trailer (for its listing with a trailer, enter the gross weight of the combination as shown on the permit; for its listing alone, enter the gross weight of the truck only)

**Column (C)** - Enter the total laden miles traveled on New York State public highways by each vehicle in column (A). Laden miles are those traveled by a vehicle with a load or any part of a load.

**Column (D)** - Determine the tax rate for each vehicle based on its gross weight in column (B) using Tax Table 1, *Laden Miles - Tractors and Trucks*.

**Column (E)** - Multiply laden miles in column (C) by the tax rate in column (D).

**Column (F)** - Enter the unloaded weight shown on the highway use tax permit for each vehicle listed in column (A), except a truck-trailer combination if both were unloaded (enter the unloaded weight of the truck plus the unloaded weight of the heaviest trailer drawn by the truck).

**Column (G)** - Enter the total unladen miles traveled on New York State public highways by each vehicle listed on the return.

**Column (H)** - Determine the tax rate for each vehicle based on its unloaded weight shown in Column (F) using Tax Table 2, *Unladen Miles - Tractors*, and Tax Table 3, *Unladen Miles - Trucks*. (Use Tax Table 3 for tractors operating **alone**.) Do not enter a tax rate or compute tax on any tractor with an unloaded weight of 7,000 pounds or less or on any truck with an unloaded weight of 18,000 pounds or less.

**Column (I)** - Multiply unladen miles in column (G) by the tax rate in column (H).

**Column (J)** - For each vehicle, add the amounts in column (E) and column (I).

Total each column (C, E, G, I, (J) and the amounts from Form TMT-3.13, if any. Enter the column (J) total in Section I, item 1(a).

**Instructions for Schedule B**

**Column (K)** - For each vehicle enter the reportable laden miles included in item (C) of Schedule A.

**Column (L)** - Enter the same rate you entered in column (D).

**Column (M)** - Multiply the miles in column (K) by the tax rate in column (L).

**Column (N)** - For each vehicle enter the reportable unladen miles traveled on New York State public highways.

**Column (O)** - Enter the same rate you entered in column (H).

**Column (P)** - Multiply the miles in column (N) by the tax rate in column (O).

**Column (Q)** - For each vehicle add the amounts in column (M) and column (P). If a vehicle is exempt, enter **exempt** in this column.

Total each column (K, M, N, P, Q) and the amounts from Form TMT-3.13, if any. Enter the column (Q) total in Section I, item 1(b).

**Gross Weight Method, Heaviest Weight Option****Instructions for Schedule A**

**Column (A)** - List the current permit numbers of motor vehicles with the heaviest gross weight and the motor vehicles with the heaviest unloaded weight that were operated on New York State public highways during the reporting period. In determining the heaviest gross weight or the heaviest unloaded weight, take into account only the trucks, tractors, trailers and other attached devices owned by, interchanged with or leased to you that were operated on New York State public highways during the reporting period on which you are reporting and paying the taxes.

List permit numbers in the following order:

1. The truck with the heaviest gross weight.
2. The tractor with the heaviest gross weight.
3. The truck with the heaviest unloaded weight if different from (1).
4. The tractor with the heaviest unloaded weight if different from (2).
5. The tractor with the heaviest unloaded weight that operated without trailers.
6. The truck-trailer combination with the heaviest gross weight (unloaded weight of the truck plus the unloaded weight of the heaviest trailer or combination of trailers drawn by the truck plus the heaviest load carried or drawn by the truck-trailer combination).
7. The truck-trailer combination with the heaviest unloaded weight (unloaded weight of the truck plus the unloaded weight of the heaviest trailer drawn by the truck) if different from (6).

**Column (B)** - Enter the gross weights of the truck with the heaviest gross weight, the tractor with the heaviest gross weight and the truck-trailer combination with the heaviest gross weight listed in column (A).

**Column (C)** - Enter the total laden miles traveled on New York State public highways by all vehicles in each category for which you made an entry in column (B).

**Column (D)** - Determine the tax rate for each vehicle based on its gross weight shown in Column (B) using Tax Table 1, *Laden Miles - Tractors and Trucks*.

**Column (E)** - Multiply the laden miles in column (C) by the tax rate in column (D).

**Column (F)** - Enter for the vehicles listed in column (A) the unloaded weights of the truck with the heaviest unloaded weight, the tractor with the heaviest unloaded weight, the tractor with the heaviest unloaded weight that operated alone, and the truck-trailer combination with the heaviest unloaded weight.

**Column (G)** - Enter the total unladen miles traveled on New York State public highways by all vehicles in each category for which you made an entry in column (F). Enter only the miles for tractors that operated alone with an unloaded weight in excess of 18,000 pounds next to the appropriate permit number listed in column (A). Do not enter miles for trucks with an unloaded weight of 18,000 pounds or less or for other tractors with an unloaded weight of 7,000 pounds or less.

**Column (H)** - Determine the tax rate for each category of vehicles based on the unloaded weight of the vehicle entered in column (F). For tractors which operated with empty trailers, use Tax Table 2, *Unladen Miles - Tractors*.

For trucks and truck-trailer combinations use, Tax Table 3, *Unladen Miles - Trucks*.

For tractors that operated without trailers, use Tax Table 3, *Unladen Miles - Trucks*.

**Column (I)** - Multiply the unladen miles in column (G) by the tax rate in column (H).

**Column (J)** - For each vehicle, add the amounts in column (E) and column (I).

Total each column (C, E, G, I, J). Enter the column (J) total in Section I, item 1(a).

#### Instructions for Schedule B

**Column (K)** - For each vehicle, enter the reportable laden miles included in column (C) of Schedule A.

**Column (L)** - Enter the same rate you entered in column (D).

**Column (M)** - Multiply the miles in column (K) by the tax rate in column (L).

**Column (N)** - For each vehicle, enter the reportable unladen miles included in column (G) of Schedule A.

**Column (O)** - Enter the same rate you entered in column (H).

**Column (P)** - Multiply the miles in column (N) by the tax rate in column (O).

**Column (Q)** - For each vehicle, add the amounts in column (M) and column (P). If a vehicle is exempt, enter **exempt** in this column.

Total each column (K, M, N, P, Q). Enter the column (Q) total in Section I, item 1(b).

#### Unloaded Weight Method

If you elect the unloaded weight method, you must use it for every truck having an unloaded weight of over 8,000 pounds and every tractor having an unloaded weight of over 4,000 pounds operating on New York State public highways during the reporting period.

#### Instructions for Schedule A

**Column (A)** - List the current permit numbers of the trucks and tractors that operated on New York State public highways during the reporting period in the following order:

1. Trucks for which you hold permits.
2. Tractors for which you hold permits.
3. Trucks or tractors for which permits were issued to another carrier and you are paying the tax. Identify this group as **Motor Vehicles Operated on Permits of Others**.

Do not list motor vehicles that incurred no tax. Account for them by entering **Other Permitted Motor Vehicles Incurred No Tax**.

Also do not list motor vehicles for which the mileage tax will be paid by others. Account for them by entering **Other Permitted Motor Vehicles Will Be Reported by Others**.

**Columns (B) through (E)** - Leave blank

**Column (F)** - Enter the unloaded weight for each vehicle listed in column (A).

**Column (G)** - Enter the total miles traveled on New York State public highways by each vehicle. Include all mileage, whether the vehicle traveled with a load or not.

**Column (H)** - Based on the unloaded weight in column (F), determine the tax rate for each truck using Table 4, *Trucks*, and the tax rate for each tractor using Table 5, *Tractors*, under the heading **Tax Rates for Unloaded Weight Method**.

**Column (J)** - Multiply the taxable miles in column (G) by the tax rate in column (H).

Total columns (G) and (J) and the amounts from Form TMT-3.13, if any. Enter the column (J) total in Section I, item 1(a).

#### Instructions for Schedule B

**Columns (K) through (M)** - Leave blank.

**Column (N)** - For each vehicle, enter the reportable miles included in column (G) of Schedule A.

**Column (O)** - Enter the same rate you entered in column (H).

**Column (Q)** - Multiply the taxable miles in column (N) by the tax rate in column (O). If a vehicle is exempt, enter **exempt** in this column.

Total columns (N) and (Q) and the amounts from Form TMT-3.13, if any. Enter the column (Q) total in Section I, item 1(b).

#### Carriers Who Are Incorporated

A corporation in the trucking industry may be subject to the franchise tax under sections 183 and 184 of Article 9 of the Tax Law. However, if it does not qualify as a trucking corporation it will be subject to Article 9-A of the Tax Law.

A *trucking corporation* is a corporation that derives more than 50% of its gross receipts from the transportation of goods by motor vehicle. A trucking corporation is subject to the franchise tax under sections 183 and 184 if it meets any of the following conditions:

- picks up or delivers goods in New York State more than twice during a calendar year
- employs capital in New York State
- owns or leases property or maintains an office, terminal or other base of operation in New York State.

If 50% or less of a corporation's gross receipts are from transportation, it is not a trucking corporation and may be subject to tax under Article 9-A of the Tax Law if it is doing business in New York State or meets any of the above conditions. A trucking corporation that has erroneously been filing corporation franchise tax reports under Article 9-A (which is only for general business corporations) must file amended reports under sections 183 and 184 of Article 9.

The corporation tax forms packets, CT-183/184-P (Article 9) and CT-3/4-P (Article 9-A), contain all the forms and instructions that you may need to report your franchise tax.

### Need Help?

**For forms or publications**, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073.

**For information**, call the Business Tax Information Center toll free (from the continental U.S. only) 1 800 972-1233. You can also call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

**Telephone assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday.**

**Persons with Disabilities** - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information and assistance numbers listed above.

**Hotline for the Hearing and Speech Impaired** - If you have a hearing or speech impairment and have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling our toll-free hotline 1 800 634-2110 (within New York State). Hours of operation are from 9:00 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

**If you need to write**, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.