



Legislation Text

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Res. No. 653

Resolution calling on the New York State Legislature to pass, and the Governor to sign legislation, that would create a program to recover lost tax revenue from New York residents who register their vehicles out of state.

By Council Members Holden and Brannan

Whereas, In New York, a person must register their vehicle with the Department of Motor Vehicles (DMV) within 30 days of residing in the State; and

Whereas, In order to register a vehicle in New York, a person must have New York car insurance, otherwise they cannot register a vehicle; and

Whereas, First time registrants must pay a license plate fee, title certification fee, and sales taxes; and

Whereas, According to a 2017 article in *Crain's*, some vehicle owners who are New York residents will register their vehicle out-of-state to avoid paying New York insurance, which is higher than other states; and

Whereas, According the same *Crain's* article, a 2011 state Senate report found that nearly 25 percent of all vehicles involved in collisions in Brooklyn had Pennsylvania license plates, indicating that these vehicles were owned by New York residents; and

Whereas, According to the same report, if 25 percent of residents purchase vehicles out of state then it is estimated that the state has lost \$93 million in tax revenue; and

Whereas, In New York City, for example, a vehicle that costs \$35,000 could have approximately \$3,000 in sales taxes; and

Whereas, In addition, these drivers are potentially depriving New York of \$1 million annually in fees for license plates, titles and vehicle registrations; and

Whereas, New York should create a way to identify individuals with New York mailing addresses, who

have registered their vehicle out-of-state; and

Whereas, The State should be able recover lost sales taxes from these individuals and ensure that they register in New York; now, therefore, be it

Resolved, that the Council of the City of New York calls up on the New York State legislature to pass, and the Governor to sign, legislation that that would create a program to recover lost tax revenue from New York residents who register their vehicles out of state

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