



## Department of Taxation and Finance

### Important

Information in TSB-M-18(1)CS on registration requirements and filing returns and paying the surcharge are out of date and can no longer be relied upon.

The following legislative updates have been made to the congestion surcharge:

- For trips on or after July 1, 2021, Technology Service Providers (TSPs) are responsible for withholding and remitting payment and for filing returns for the congestion surcharge for medallion taxicabs and green cabs. Medallion owners and agents do not need to file a return for the congestion surcharge for any trips which a TSP has taken over collection and filing responsibilities.
- Effective May 3, 2023, the registration requirement for the congestion surcharge was eliminated. As of this date, those subject to the congestion surcharge do not need to obtain or renew a Congestion Surcharge Certificate of Registration. However, any person or entity responsible for paying the congestion surcharge must continue to file returns and pay the surcharge due monthly.

See [Congestion surcharge](#) for the most up-to-date information.

[Part R of Chapter 59 of the Laws of 2021; Part P of Chapter 59 of the Laws of 2023.]

TSB-M-18(1)CS begins on page 2 below.



## Congestion Surcharge in the New York City Congestion Zone

The congestion surcharge (“surcharge”) is an amount that is added to the charge for transportation that:

- both begins and ends in New York State, and that
- begins in, ends in, or passes through the area of New York City in the borough of Manhattan, south of and excluding 96<sup>th</sup> Street (an area known as the “congestion zone”).

The surcharge is effective January 1, 2019, and applies to transportation in vehicles that carry people for-hire, including:

- vehicles commonly known as taxis,
- vehicles commonly known as “green cabs,”
- limousines,
- black cars,
- livery vehicles (including vehicles commonly known as community cars),
- rideshare/transportation network company vehicles, and
- pool vehicles.

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**Pool vehicles** are vehicles that are used to provide pool trips. A **pool trip** is transportation between two points that is provided to a person (or to a group of people that enter and exit a vehicle together per a single request for transportation) in a vehicle that may also simultaneously transport others in trips that are requested and charged separately. To qualify as a pool trip, it is not necessary that the vehicle transport two or more persons or groups in simultaneous trips. Rather, it must be possible during the course of a trip that the vehicle will pick up and/or drop off another person or group that separately requested transportation. Whether a trip is a pool trip for purposes of the surcharge is determined on a per-ride basis.

*Example 1:*

Passenger A requests transportation with the understanding that stops may be made along his route to allow additional passengers or groups to enter and exit the vehicle without his approval. Passenger A and the other passengers or groups, if any, will be separately billed for their transportation on a time and distance basis. Passenger A’s transportation is a pool trip.

*Example 2:*

Passenger B requests transportation in a vehicle that operates along various routes, and that may make one or more stops to allow additional passengers, or groups of passengers, to enter or exit the vehicle. Passenger B and all other passengers/groups, if any, will be charged the same predetermined amount for the transportation they receive. Passenger B’s transportation is a pool trip.

*Example 3:*

Passenger C requests transportation, which is provided in the same vehicle that previously provided a pool trip to Passenger A, above. However, unlike Passenger A, Passenger C requested transportation only for herself to a specified location without the possibility of other passengers or groups entering or exiting the vehicle during her trip. Passenger C's transportation **is not** a pool trip.

*Example 4:*

Passenger D requests transportation from Times Square to the intersection of 50<sup>th</sup> Street and 1<sup>st</sup> Avenue. Passengers E and F request transportation together, and enter the vehicle in which Passenger D is traveling at 40<sup>th</sup> Street and 5<sup>th</sup> Avenue. Passengers E and F exit the vehicle together at 50<sup>th</sup> Street and 5<sup>th</sup> Avenue, and Passenger D is subsequently dropped off at her requested destination. Passenger D has taken one pool trip subject to the surcharge. Passengers E and F have together taken one pool trip subject to the surcharge.

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The surcharge **does not** apply to the following:

- Transportation provided in connection with funerals;
- Transportation provided by a bus;
- Transportation provided by, or pursuant to a contract with, school districts;
- Transportation administered by or on behalf of the Metropolitan Transportation Authority; or
- Transportation by ambulance or ambulette.

### **Liability for the surcharge**

Generally, the person or entity that sends a vehicle (i.e., dispatches it) to a customer is responsible for the payment of the surcharge. This includes businesses and individuals that receive transportation requests directly from customers (as opposed to bases or third-party applications) and use their own vehicles to provide such transportation. This also includes transportation network companies, as defined in Vehicle and Traffic Law Article 44-B. However, for rides provided by medallion taxicabs, the owner of the medallion that is affixed to the taxicab is responsible for the payment of the surcharge. Likewise, for rides provided by Hail vehicles that originate by street-hail, the base that the Hail vehicle is affiliated with is responsible for the payment of the surcharge.

### **Registration**

Any person or entity who will be responsible for the payment of a surcharge on more than one trip in any calendar month **must** register with the New York State Tax Department by completing an online application and obtaining a certificate of registration, which will be valid for the specified term on the certificate and is subject to renewal. There is a \$1.50 fee to

register. See [Congestion Surcharge Registration Application](#). There is also a \$1.50 fee to renew a certificate of registration.

Any person or entity who is responsible for the payment of the surcharge on no more than one trip in any calendar month is not required to register. Such person or entity, however, **must** file a return and pay any surcharge that is due when a surcharge liability is incurred.

If the information reported on your registration has changed, you are required to update your information on a calendar quarterly basis. There is no fee to update your registration.

### **Amount of Surcharge**

The rate of the surcharge depends on the type of vehicle used to provide transportation in or through the congestion zone. The surcharge is generally:

- \$2.75 for each for-hire transportation trip in a vehicle that is not a medallion taxicab or a pool vehicle.
- \$2.50 per trip when the transportation is provided by a medallion taxicab vehicle.
- \$0.75 per pool trip.

The applicable surcharge amount is required to be passed through to passengers and be separately stated on any receipt that is provided.

### **Filing returns and paying the surcharge**

Persons liable for the surcharge must use the Tax Department's *Congestion Surcharge Web File* application to file monthly returns and pay the surcharge due. They must file returns and pay the surcharge due within 20 days after the end of the month for which the return covers. Persons registered for the surcharge must file a return even if they incurred no surcharges during a calendar month. In addition to any other applicable penalties and interest, any person that fails to timely pay a surcharge that is due will be subject to a penalty of 200% of the amount that is due. You must have an *Online Services* business account on the Tax Department website at [www.tax.ny.gov](http://www.tax.ny.gov) to file returns and pay the surcharge. See [Online Services](#) for more information.

### **Recordkeeping**

Persons or entities liable for the surcharge must keep records that are sufficient to determine whether the surcharge was properly applied, and must electronically transmit those records to the Tax Department upon request. This includes, but is not limited to, the following for all transportation that is subject to the surcharge:

- Records of the location, date and time where each trip begins and ends, and of the route taken.

- A record of the date, time and geographic location where the for-hire vehicle used for a trip enters and/or leaves the congestion zone, if applicable.
- Records that identify pool trips, and the location, date and time where each individual or group that separately requests transportation enters and exits the vehicle.
- Records of the vehicle used for the trip, including any number assigned to the vehicle by a regulatory agency or, if none exists, the vehicle's license plate number and jurisdiction.
- Records of all amounts charged and collected for the trip, including fare, taxes, and surcharges (including the congestion surcharge).
- True and complete copies of any records that must be kept as required by any applicable regulatory department or agency.

You must keep all records for a minimum of three years after filing a return to which those records relate, or from the date such return was due, whichever is later. In the absence of a filed return, the maintenance of records from earlier periods is required.

Compliance with the above may be achieved by using a system or equipment that is required to be used in for-hire vehicles by a regulatory agency, so long as such system or equipment is capable of collecting, storing and electronically transmitting all required records and information.

### **Definitions**

A *bus* is any motor vehicle with a seating capacity of at least 15 persons, excluding the driver, that does not otherwise qualify as a limousine.

A *Hail vehicle* is a motor vehicle, commonly referred to as a "green cab," that is affiliated with a base and authorized by the New York City Taxi and Limousine Commission (TLC) to accept hails from prospective passengers in the streets of New York City, but which does not have a medallion issued by the TLC affixed to it.

A *limousine* is any vehicle with a seating capacity of up to 14 persons, excluding the driver, and any vehicle with a seating capacity of between 15 and 20 persons, excluding the driver, that has only two axles and four tires.

A *medallion taxicab* is a motor vehicle, commonly referred to as a "yellow cab," that has a medallion issued by the New York City Taxi and Limousine Commission affixed to it.

### **References**

Part NNN of Chapter 59 of the Laws of 2018

**Note:** A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.