

**NEW JERSEY DIVISION OF TAXATION
REGULATORY SERVICES BRANCH
TECHNICAL BULLETIN**

TB - 59

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TAX: SALES AND USE TAX

TOPIC: COMMERCIAL TRUCK EXEMPTION

The New Jersey Sales and Use Tax Act provides an exemption for the sale, rental or lease of commercial trucks, truck tractors, tractors, semitrailers and vehicles used in combination therewith, as defined in R.S. 39:1-1, which are registered in New Jersey with a gross vehicle weight rating in excess of 26,000 pounds, operated actively and exclusively in carrying interstate freight, or vehicles registered pursuant to R.S. 39:3-24 or 39:3-25 (Farm Vehicles) and which have a gross vehicle weight rating in excess of 18,000 pounds. N.J.S.A. 54:32B-8.43.

This exemption also exempts repair parts and replacement parts (e.g., tires) for such trucks. N.J.S.A. 54:32B-8.43. This exemption does not exempt repair services. Repair services are subject to sales tax. N.J.S.A. 54:32B-3(b)(2).

The term “registered in New Jersey” means “properly registered as provided by New Jersey law.” “Properly registered” is defined to include registration in other jurisdictions.

“Gross vehicle weight rating” means the value specified by the manufacturer as the loaded weight of the single or combination vehicle and, if the manufacturer has not specified a value for a towed vehicle, means the value specified for the towing vehicle plus the loaded weight of the towed unit. N.J.S.A. 54:32B-8.43.

“Truck” means every motor vehicle designed, used, or maintained primarily for the transportation of property. N.J.A.C. 18:24-7.18(c).

“Commercial” trucks are trucks used for commercial purposes on the highways, such as the transportation of goods, wares, and merchandise.

Moreover, “nonconventional type motor vehicles” that are not designed or used primarily for the transportation of property and are only incidentally operated or moved over a highway do not fall into the exemption provided in N.J.S.A. 54:32B-8.43. Such vehicles include ditch digging equipment, well-boring apparatus, road and general purpose, construction and maintenance machinery, asphalt spreaders, bituminous mixers, bucket loaders, ditchers, leveling graders, road

rollers, earth-moving carryalls, self-propelled cranes, earth-moving equipment, bulldozers, road building machinery, and so forth. N.J.A.C. 18:24-7.18(i).

In addition, vehicles which operate on general registration plates transferable from vehicle to vehicle and which identify the owner rather than the vehicle are not exempt from sales tax. N.J.A.C. 18:24-7.18(i).

Equipment mounted on commercial motor vehicles or vehicles used in combination with such vehicles, is also exempt if it is an integral part of the basic (exempt) vehicle. If the equipment is not an integral part of the basic vehicle and can be severed from the vehicle without the vehicle losing its identity, the equipment does not meet the criteria and is not exempt from tax.

The following is a partial listing of items denoting taxable or exempt status for qualified trucks under N.J.S.A. 54:32B-8.43.

Adhesives and Sealants	T
Air Cleaners	E
Air Deflectors (roof mounted)	E
Alcohol Evaporators	E
Alternators (and parts for same)	E
Antifreeze	T
Batteries	E
Beacons	T
Bearings (wheel, engine, transmission, etc.)	E
Body Filler	E
Booms (on vehicle)	E
Brake Parts (lining, cylinders, drums, etc.)	E
Brookins Cans	T
Brushes (cleaning)	T
Carburetor Kits	E
Carburetor (and parts)	E
Chassis – Frame Components (frame rails, cross-members, suspension components, driveshafts, etc.)	E
Chains and Binders	T
Clamps (hoses, etc.)	E
Cleaners	T
Clearance Lights (bulbs and lenses)	E
Clutches and Clutch Parts	E
Cranes (on vehicle)	E
Decals	T
Driver Assistant Handles (grab handles)	E
Drive Lines (driveshafts, etc.)	E
Drop Lights	T
Dry Gas	T

Engine Bearings	E
Engine Heaters	E
Engine Shutdown Systems	E
Ether Starter Systems	E
Exhaust Systems	E
Fans (behind radiator of vehicle, cooling)	E
Fan Belts	E
Fasteners	T
Fifth Wheels	E
Fire Extinguishers	T
Flares	T
Flashers (emergency, in wiring system)	E
Flat Rate Unit Charges (exemption limited to repair parts and replacement parts separately invoiced. Labor charges are taxable. If parts are not listed separately, tax on entire invoice.)	E
Fog Lamps (driving lights)	E
Frame Skid Ramps	E
Fuel Pumps	E
Fuses (ignition and electrical wiring system)	E
Gas Caps	E
Gas Filters	E
Gauges (oil, temperature, pressure, ampere, etc.)	E
Gears (transmission)	E
Grease (lube, transmission and rear)	T
Grille Guards	E
Head Lamps	E
Heaters (and parts)	E
Hoses (cooling, hydraulic, etc. when part of vehicle)	E
Hubdometers	E
Hydraulic Gates and Lifts	E
I.C.C. Road Kits	T
Ignition Systems (parts, wires, etc.)	E
Jumper Cables	T
Lube Grease	T
Mirrors	E
Motors (electric, vacuum, etc.)	E
Motor Mounts	E
Motor Oil	T
Mud Flaps	E
Mufflers	E

Nuts and Bolts (exemption applies only to nuts and bolts specifically manufactured for a vehicle)	E
“O” Rings	E
Oil Cans	T
Oil Filters	E
Oil Rings	E
Oil Seals	E
Outside Mirrors	E
Paint (limited to repair and maintenance of vehicle; does not apply to lettering, signs, etc.)	E
Parts (ignition)	E
P.C. Valves	E
Piston Rings	E
Recapping Tires (labor charges)	T
Reflective Tape	T
Safety Deck Plates	E
Safety Equipment	T
Seals (and parts)	E
Shock Absorbers	E
Side Curtain (for curtain side truck/trailer)	E
Solders	T
Spark Plugs	E
Speedy-Dry	T
Spot Lights (mounted on hydraulic tailgates, truck booms, winches powered by truck motor, truck cranes powered by truck motor)	E
Starter Drives	T
Stop Leak	T
Switches (lights, ignition, etc.)	E
Tail Pipes	E
Tarpaulins	T
Thermostats	E
Tire Chains	T
Tire Plugs	E
Tires*	E
Tools	T
Tractor Hose Tenders	E
Trailer Hitches	E
Transmission Belts	E
Universal Joints	E

Valve Seals	E
Valves and Valve Lifters	E
Winches (on vehicle)	E
Windshield Wiper Blades	E
Wire (ignition, electrical where integral part of vehicle)	E

***Application of Motor Vehicle Tire Fee to Commercial Trucks**

Effective August 1, 2004, Public Law 2004, c.46 imposed a fee of \$1.50 on each new motor vehicle tire sold in New Jersey, including new tires transferred as part of the sale or lease of a new or used motor vehicle (including spare tires), and those transferred as part of a repair or maintenance service (e.g., a replacement). The law imposes the Motor Vehicle Tire Fee on transactions subject to sales tax imposed by the New Jersey Sales and Use Tax Act. The Motor Vehicle Tire Fee does not apply to the sale of recapped tires. Since the Motor Vehicle Tire Fee is only imposed on transactions subject to New Jersey sales tax, sales or leases of commercial trucks entitled to the commercial truck exemption, including the sale of replacement tires for such vehicles, are not subject to the Motor Vehicle Tire Fee.

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