

NOTICE
SALES TAX EXEMPTION FOR FARM TRUCKS
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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, which are registered pursuant to N.J.S.A. 39:3-24 or 39:3-25 and have a gross vehicle weight rating (GVWR) in excess of 18,000 pounds. The GVWR is defined as the loaded weight of the single or combination vehicle. See N.J.S.A. 54:32B-8.43

Section 39:3-24 deals with the registration of farm use vehicles, which are used as farm machinery or equipment and cannot be operated on the public highways between sunset and sunrise. Section 39:3-25 deals with the registration of farm trucks, which are vehicles that will be used exclusively in carrying or transporting the registrant's farm products and farm supplies.

The Division has determined that the 18,000 pound GVWR requirement can be met by a combination of the gross vehicle weight of the truck itself, as specified by the manufacturer, and the weight of a towed vehicle ("vehicle used in combination therewith"), as indicated by the truck's towing capacity. There is no requirement that the combination vehicle actually be purchased at the time that the commercial truck is purchased. It is sufficient for exemption purposes that the truck is rated by the manufacturer to tow in excess of 18,000 pounds when the towing capacity is combined with the truck's loaded weight capacity.

In order to support an exemption at the time of purchase, a New Jersey motor vehicle dealer must verify the GVWR of the truck and its towing capacity, obtain from the purchaser a completed copy of the Exempt Use Certificate (ST-4) indicating N.J.S.A. 54:32B-8.43 as the basis of the exemption, obtain documentation that the purchaser is engaged in the business of farming (e.g. a certificate from the local county agricultural agent), and register the truck as a farm vehicle with the New Jersey Motor Vehicle Commission at the time of purchase.

The dealer should advise the purchaser that the sales tax exemption is contingent upon the purchaser continuing to hold a New Jersey motor vehicle farm registration pursuant to Motor Vehicle law.