

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-A-81(12)S
Sales Tax
August 19, 1981

STATE OF NEW YORK
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. S801105A

On November 5, 1980 a Petition for Advisory Opinion was received from David J. Converse, R.D. #5, LaFave Rd., Watertown, New York 13601.

The issue raised is whether Petitioner is required to collect sales tax on charges for services rendered by his laboratory.

Petitioner will own and operate a forage testing laboratory. The laboratory will test such substances as grain, corn silage and haylage for crude protein, crude fiber, and mineral content, and will issue reports on the results of such testing. Petitioner's customers will be farmers, feed corporations and the like. At the request of his customers, reports may be furnished to parties other than Petitioner's customers, such as a grain dealer.

Section 1105(c)(1) of the Tax Law imposes a tax on the receipts from every sale, except for resale, of the service of "The furnishing of information by printed, mimeographed or multigraphed matter or by duplicating written or printed matter in any other manner, including the services of collecting, compiling or analyzing information of any kind or nature and furnishing reports thereof to other persons, but excluding the furnishing of information which is personal or individual in nature and which is not or may not be substantially incorporated in reports furnished to other persons"

Section 527.3 of the Sales and Use Tax Regulations provides that: "(a) . . . (2) The collecting, compiling or analyzing information of any kind or nature and the furnishing reports thereof to other persons is an information service. . . (b) . . . (2) The sales tax does not apply to the receipts from the sale of information which is personal or individual in nature and which is not or may not be substantially incorporated into reports furnished to other persons by the person who has collected, compiled or analyzed such information." 20 NYCRR 527.3.

The services to be rendered by Petitioner will constitute the furnishing of information, within the meaning and intent of section 1105(c)(1) of the Tax Law. Inasmuch as the laboratory findings are furnished only to Petitioner's customers and their designees, the reports are personal and individual in nature and, therefore, qualify for the exemption provided within Section 1105(c)(1). Accordingly, Petitioner's charges to his customers will not be subject to State and local sales taxes.

DATED: August 4, 1981

s/LOUIS ETLINGER
Deputy Director
Technical Services Bureau