

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

TSB-A-86(42)S  
Sales Tax  
October 24, 1986

STATE OF NEW YORK  
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. S860722B

On July 22, 1986, a Petition for Advisory Opinion was received from Lasar Image Corp., 265 Glen Cove Road, Carle Place, New York 11554.

The issue raised is whether Petitioner, who is in the business of producing laser printed income tax returns, is required to collect sales tax on its services or to pay sales tax on its purchases of paper and supplies used in preparation of the returns.

Petitioner's clients are accountants and other tax preparers. Petitioner's clients supply it with computer tapes which are then used to produce copies of income tax returns. The computer tapes and the tax returns are then returned to Petitioner's clients. Petitioner itself does not perform the professional service of preparing the tax returns but converts the information contained on the tapes to a paper form.

Section 1105(c)(1) of the Tax Law imposes a tax upon the sale of information services but excludes from tax the services of furnishing information which is personal or individual in nature and which may not be substantially incorporated in reports furnished to other persons. Petitioner did not furnish its clients with any information its clients did not previously have. Therefore, Petitioner's sales were not of information services but rather the rearranging of its client's information onto a different medium. Since Petitioner provides its clients with copies of income tax returns, Petitioner's sales constitute the sale of tangible personal property subject to tax under section 1105(a) of the Tax Law. See Matter of Finserv Computer Corporation, Decision of the State Tax Commission, October 30, 1981, TSB-H-81(195)S; Finserv Corp. v. Tully, 94 AD2d 197(1983); aff'd 61 NY2d 947(1984).

Petitioner may purchase tax free the paper and ink incorporated into the income tax returns sold to its clients by furnishing to its suppliers properly complete Resale Certificates (Form ST-120).

DATED: October 24, 1986

s/FRANK J. PUCCIA  
Director  
Technical Services Bureau

NOTE: The opinions expressed in Advisory Opinions  
are limited to the facts set forth therein.