

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

TSB-A-93 (17)S
Sales Tax
March 3, 1993

STATE OF NEW YORK
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. S920904A

On September 4, 1992, a Petition for Advisory Opinion was received from Vanco Leasing Inc., 2257 Jericho Turnpike, Garden City, New York 11040.

The issue raised by Petitioner, Vanco Leasing Inc. is whether a fee charged by it to a customer for the preparation of paper work necessary to register a car or truck and for registration in connection with the lease of a car or truck is subject to sales tax.

Petitioner is a company that leases cars, light weight trucks and heavy trucks to its customers. Petitioner charges a flat fee to all customers, regardless of the value of the vehicle, to prepare all the necessary paper work for the various leasing companies and to register and get plates for the vehicle. The flat fee is not based on the value of the vehicle, and is paid with a separate check. The fee is to reimburse Petitioner for having someone to prepare the forms needed to register the car or truck and go to the Motor Vehicle Department to pick up the plates. The customer has the option to prepare the forms and go to the Motor Vehicle Department to pick up the plates.

Section 1105 of the Tax Law imposes a sales tax on the sale or lease of all tangible personal property unless otherwise exempt, and on certain specified services. Leases of motor vehicles are subject to special rules for computing receipts and consideration as set forth in Section 1111(i) of the Tax Law.

The charge by a motor vehicle dealer for "Documentary Service" which represents preparation of the purchasers' application for registration or transfer of registration, the temporary certificate of registration, and the certificate of sale is not one of the services upon which sales tax is imposed provided it is separately stated on the customer's bill of sale or contract. New York State and Local Sales Tax Information Booklet No. 5, ST-215 (9/73).

It therefore follows that the fees charged by Petitioner to a customer for the preparation of paper work necessary to register a car or truck and for registration in connection with the lease of a car or truck is not subject to the sales tax imposed by Sections 1105 and 1111(i) of the Tax Law provided the charge for said services is separately stated on the customer's lease or contract and that the customer has the option to prepare the forms and go to the Motor Vehicle Department himself and thus avoid paying the administration fees.

DATED: March 3, 1993

/s/
PAUL B. COBURN
Deputy Director
Taxpayer Services Division

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