

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

TSB-A-96 (39)S  
Sales Tax  
July 2, 1996

STATE OF NEW YORK  
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO.S960411B

On April 11, 1996, the Department of Taxation and Finance received a Petition for Advisory Opinion from Child Support Services of NY, Inc., 5165 Broadway, Suite 101, Depew, NY 14043.

The issue raised by Petitioner, Child Support Services of NY, Inc., is whether the fee it will charge to its clients to secure a payment arrangement from parents who are delinquent in child support will be subject to State and local sales and compensating use taxes as a detective service.

Petitioner submits the following facts as the basis for this Advisory Opinion.

Petitioner is a private business that will deal solely in the collection of delinquent child support. For a fee of 28% of the child support collected, Petitioner will try to secure a satisfactory payment arrangement from parents who are delinquent in their child support. Although a portion of the delinquent parents will need to be located, the whereabouts of a vast majority of the parents is known. These parents simply refused or neglected to pay their support. In most cases, Petitioner will call directory assistance for telephone numbers or request forwarding address information from the post office to locate the parents who are delinquent in their child support. Petitioner is not licensed as a private investigator.

Section 1105(c) of the Tax Law imposes a tax upon the receipts from every sale, except for resale, of the following services:

(8) Protective and detective services, including, but not limited to, all services provided by or through alarm or protective systems of every nature, including, but not limited to, protection against burglary, theft, fire, water damage or any malfunction of industrial processes or any other malfunction of or damage to property or injury to persons, detective agencies, armored car services and guard, patrol and watchman services of every nature other than the performance of such services by a port watchman licensed by the waterfront commission of New York harbor, whether or not tangible personal property is transferred in conjunction therewith.

In Thomas J. Brennan, Adv Op Comm T&F, February 28, 1996, TSB-A-96(13)S, the Department concluded that although the petitioner's services as a process server required him to perform certain activities in the nature of a detective service, the fees paid to the petitioner, who used information contained in telephone books or public records to locate defendants in court actions, were not subject to sales and use taxes.

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Section 1105(c) of the Tax Law imposes tax on receipts from the sale of certain enumerated services. The services performed by Petitioner consisting of securing payment arrangements from parents who are delinquent in their child support and locating these parents by calling directory assistance for telephone numbers, requesting forwarding address information from the post office and other means, are not enumerated services subject to tax under Section 1105 of the Tax Law. The fact that Petitioner's service may require Petitioner to perform certain activities that may be in the nature of a detective service will not change the nature of Petitioner's service, which is collecting delinquent child support. See Thomas J. Brennan, supra. Accordingly, the fees paid by Petitioner's clients to secure payment arrangements from parents who are delinquent in child support will not be subject to State and local sales and use taxes. It should be noted, however, that if Petitioner hires someone to search for a parent, that charge to Petitioner would be subject to the tax imposed under Section 1105(c)(8) of the Tax Law.

DATED: July 2, 1996

/s/  
JOHN W. BARTLETT  
Deputy Director  
Technical Services Bureau

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