

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

TSB-A-96 (48)S
Sales Tax
July 23, 1996

STATE OF NEW YORK
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO.S960411D

On April 11, 1996, a Petition for Advisory Opinion was received from It's Just Lunch!, Inc., 120 East 56th Street, Suite 730, New York, New York 10022.

The issue raised by Petitioner, It's Just Lunch!, Inc. is whether the services provided to its New York clients are subject to sales or compensating use tax.

Petitioner makes the following submission of facts.

Petitioner is a New York corporation with business offices in New York City. Petitioner provides to its clients a service of arranging social luncheon meetings with other clients. Clients pay a \$500 fee which entitles the client to Petitioner's services for six months. Petitioner's employees conduct informational interviews with new clients to gather background information about them, as well as information regarding the type of person that client would like to meet. The consultant then reviews notes of interviews with other clients, and identifies, or matches, two clients the consultant believes would like to meet. The consultant then contacts each client separately by telephone and describes the matched client. The consultant determines from these telephone conversations whether the clients would like to meet for lunch. If there is an agreement to meet, the consultant makes a luncheon reservation, and contacts each client by telephone with the time and location for the luncheon meeting. Client descriptions or other written information compiled by consultants in printed, or other tangible form is never transferred to nor even shown to other clients. All information supplied to clients regarding matches with other clients is supplied to them orally over the telephone.

Section 1105(c) of the Tax Law imposes tax on the receipts from every sale, except for resale, of certain enumerated services.

In this case, Petitioner provides its clients with the service of arranging social luncheon meetings with other clients. Petitioner conducts informational interviews to gather background information about a client and to determine the type of person this client would like to meet. Petitioner reviews notes of interviews with other clients and then, using its judgment, attempts to make a match with another client. Petitioner contacts each client by telephone and describes the matched client. If there is an agreement to meet, a luncheon reservation is made and the matched clients are advised as to the time and location. The primary function of Petitioner's service is to

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enable clients to meet other people. Accordingly, the service being provided by Petitioner is not a service enumerated under Section 1105(c) of the Tax Law, and therefore, is not subject to sales tax.

DATED: July 23, 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.