



Important Notice

N-90-20

New York State Sales and Use Tax on Protective and Detective Services

Effective June 1, 1990, protective services and detective services become subject to the New York State and local sales and use tax. Protective and detective services include but are not limited to:

- All types of protective services, including the operation of alarm and protection systems or services of whatever nature (i.e., fire, burglar, medical, contamination, mechanical breakdown or malfunction, or any similar alarm or protection system or service)
- Detective Agency Services
- Private Investigator Services
- Armored Car Services
- Bonded Courier Services
- Watchmen and Patrol Services *
- Fingerprinting Services
- Lie Detection Services
- Guard Services
- Bodyguard Services
- Guard Dog Services

* Excluding services performed by port watchmen licensed by the Waterfront Commission of New York Harbor.

The physical location of the real or personal property being protected determines whether or not certain protective services (alarm and protection systems, patrol, guard dog, watchmen service, etc.) are taxable in this state; if the service is taxable in this state, physical location is also a determining factor for the purpose of computing the correct local tax.

The application of the tax to armored car services and the services of bonded couriers is determined by the place in which the items protected are delivered, regardless of where the items are picked up.

When detective and investigative services are performed and an investigative report is rendered as a result, the tax consequence of that service is determined by the point of delivery of the report rather than the location of the subject of the report.

Vendors of protective and detective services who are not already registered to collect sales tax must file a *Certificate of Registration* with the Tax Department and have a valid *Certificate of Authority* at the time the taxable service is rendered. Vendors who perform taxable services and do not hold a valid certificate are in violation of law and subject to civil and/or criminal fines and penalties. Information regarding the collection and reporting of sales tax and the filing of sales tax returns will be provided as part of the registration and filing process. To request a *Certificate of Registration*, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073. If you need to write, address your letter to: New York State Tax Department, Taxpayer Assistance Bureau, W. A. Harriman Campus, Albany, NY 12227.

In New York City, the state sales tax must be collected in addition to the 4% city sales tax already being collected on charges for protective and detective services. The combined state and local sales tax collected in New York City (8¼%) is to reported on Schedule N.

Vendors making sales of such services outside New York City are required to report the tax on their regular sales and use tax return.