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## Sales from Your Home

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### Introduction

If you make taxable sales of goods or services from your home in New York State, you may be required to register as a sales tax vendor with the Tax Department and collect sales tax for the state.

This bulletin explains:

- when sales made from your home require you to register and collect sales tax,
- when sales made from your home require you to collect sales tax but do not require you to register as a vendor, and
- when sales made from your home do not require you to register as a vendor or collect sales tax for the state.

### At-home businesses

If you operate a trade or business from your home, you have the same responsibilities as any other business making the same types of sales in New York State. If your business sells taxable goods or services, you must register with the Department of Taxation and Finance to obtain a *Certificate of Authority*. The *Certificate of Authority* authorizes you to collect sales tax on behalf of New York State.

Where you operate your business, whether it's from a store, office, warehouse, or your home, does not determine whether you need to register to collect sales tax. Instead, the requirement to register is based on the types of items you sell or the kind of services you provide. Generally, if the items or services that you sell are subject to sales tax, you are required to register and must collect sales tax. This also applies to items that you sell on a regular basis through online auctions or other Web sites.

*Example: You have a barn on your property and decide to sell antiques out of your barn. Sales of antiques are taxable; you are required to register for sales tax purposes and collect sales tax.*

*Example: You have a truck with a snow plow attachment. You contract with neighbors and local businesses to plow their driveways and parking lots after snowstorms. This service is taxable and you are required to register for sales tax purposes and collect sales tax.*

Some other examples of businesses that you may operate out of your home that will require you to register and collect sales tax are:

- landscaping;
- event parking;
- contracting;
- small engine repair; and
- craft businesses.

You are required to register to collect sales tax if you make items at your home and bring them to other locations to sell, or if you sell them over the internet, if those items that you are selling are subject to sales tax. Items commonly sold at craft fairs and online auction sites, such as homemade soaps and candles, woodworking projects, holiday decorations, and homemade candy are just a few examples.

For more information about the registration requirements when you operate a business from your home, see Tax Bulletin [Do I Need to Register for Sales Tax? \(TB-ST-175\)](#) and [Publication 750, A Guide to Sales Tax in New York State](#).

### Occasional sales from your home (casual sales)

A *casual sale* is an occasional or isolated taxable sale by a person who is not in the business of selling taxable property or services. People who make casual sales from their homes and have no intention of making sales on a regular basis as a business do not have to register for sales tax purposes. These occasional (casual) sales must be made from your home, and the purchaser must pick up the item at your home.

Even though you may not have to register for sales tax purposes, if the item sold is taxable, and **the sale does not meet the special rules for a garage sale**, explained later in this bulletin, you are required to collect sales tax from the buyer and send it to New York State using [Form ST-131, Seller's Report of Sales Tax Due on a Casual Sale](#).

*Example: Mr. and Mrs. A are retiring and moving into a smaller home. They decide to sell their dining room set, which includes a table, chairs, and hutch, for \$800. They list the furniture in their local newspaper for sale. The furniture is taxable, but this sale does not require registration for sales tax purposes because it is an isolated one-time sale. However, it does not meet the special rules for garage sales (because the selling price of the items exceeds \$600; see rules below). Mr. and Mrs. A are required to collect sales tax on the selling price of the items and send it to New York State with [Form ST-131, Seller's Report of Sales Tax Due on a Casual Sale](#).*

### Garage sales and other similar sales

Most garage sales are not subject to the sales tax registration requirements and the sellers are usually not required to collect sales tax. However, Tax Law section 1115(a)(18) specifically provides that if certain conditions are not met, you may need to collect sales tax, or possibly register for sales tax purposes. See [TSB-M-80\(9\)S, 1980 Legislation-Changes in Dollar Limitation of Garage Sale Receipts](#).

The conditions that must be met under Tax Law section 1115(a)(18) to avoid registration and sales tax collection are:

- The sale is at your home.
- Neither you (the seller) nor any member of your household is in a trade or business selling similar items. For example, if you own a store where you sell antiques and are registered to collect sales tax, your spouse cannot sell antiques from your home without also registering to collect sales tax.
- You make sales for three days or less in a calendar year. Sales on the fourth and subsequent days are subject to tax.
- You do not expect your sales to exceed \$600 in a calendar year. If actual sales unintentionally exceed \$600, the first \$600 in any calendar year is exempt. (See [Occasional sales from your home \(casual sales\)](#), explained above, for information on remitting sales tax when this limit is unintentionally exceeded.)

*Example: You decide to hold a garage sale at your home that will run Friday, Saturday, and Sunday during a weekend in June. You sort through belongings and*

*decide to sell numerous items including books, children's clothing, miscellaneous kitchen items, and tools. You price most of the items that you are selling under \$2.00 each. At the end of the weekend, you count the money and find that you made \$175 in sales. These sales are exempt from sales tax because they were not items normally sold by any member of your household; the sale lasted three days or less; and as you expected, sales did not exceed \$600.*

The purchaser must pick up the items at your home. If you deliver or mail an item to an address in New York State, you must collect the tax on the sale price of the item. See the rules for [Occasional sales from your home \(casual sales\)](#), explained above.

You must collect sales tax, and may have to register as a vendor, if the sales you are making are:

- more frequent than allowed by these exemptions,
- of greater value than the limits indicated, or
- not made from your home.

See Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#) for more information about registering for sales tax.

### **Other taxable sales**

Sales tax must be collected on items sold at community sales where items are combined and sold from a common area. Examples include sales conducted from village squares, schools, and parks.

*Example: Once a year the members of your book club decide to sell their used books. The group collects the books and sells them from a booth at the local high school annual craft fair. The sales of these books are taxable.*

### **Sales of motor vehicles, boats, and snowmobiles from your home**

Sales of motor vehicles, boats, and snowmobiles from your home are also subject to sales tax. In most circumstances when a private individual makes a sale of this type, the individual does not have to register or collect and remit the sales tax. The purchaser will pay any sales tax due directly to the Department of Motor Vehicles (DMV) when the vehicle, boat, or snowmobile is titled and registered. However, if you make a sale of a boat, snowmobile, or ATV that does not require registration at DMV, you must collect the sales tax and send it to New York State following the rules for [Occasional sales from your home \(casual sales\)](#), explained above.

### **Estate sales and auctions**

The exemptions described above do not apply to sales from your home that are made through an auctioneer, sheriff, or other third party, or to a sale held to liquidate an estate. These sales are subject to sales tax. The tax is collected by the auctioneer, sheriff, or third party; the private resident individual is not required to register.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. They are accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

## References and other useful information

**Tax Law:** Sections 1101(b)(8); 1105; 1115(a)(18); and 1131

**Regulations:** Sections 525.1; 526.8; 526.10; 526.11; 527.1-527.15; 528.2; 528.19; 532.1; 533.1; 533.3; 533.4; and 539

### **Publications:**

[Publication 750](#), *A Guide to Sales Tax in New York State*

### **Memoranda:**

[TSB-M-80\(9\)S](#), *1980 Legislation-Changes in Dollar Limitation of Garage Sale Receipts*

### **Bulletins:**

[Do I Need to Register for Sales Tax? \(TB-ST-175\)](#)

[How to Register for New York State Sales Tax \(TB-ST-360\)](#)

[Quick Reference Guide for Taxable and Exempt Property and Services \(TB-ST-740\)](#)