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## Do I Need to Register for Sales Tax?

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### Introduction

You must register with the Tax Department and obtain a *Certificate of Authority* if you will be making sales in New York State that are subject to sales tax. The *Certificate of Authority* gives you the right to collect sales tax on your taxable sales and allows you to issue and accept most New York State sales tax exemption certificates. If you are required to register for sales tax, you must apply for your certificate at least 20 days before you begin operating your business or before purchasing assets of another business.

How often you sell or how much you charge for goods and services does not usually determine whether you need to register for sales tax. For example, if you sell taxable items at a craft fair only once a year, you are required to register, and to collect and remit sales tax, because what you are selling is taxable in New York State. However, if you open an office and provide accounting services, you are not required to register for sales tax because the services you will be providing are not subject to sales tax. This bulletin explains who is required to register, and what kinds of goods and services are generally subject to tax.

You may be responsible for other taxes or may need other permits or licenses even if you are not required to register with the Tax Department for sales tax. You can find information about other taxes and licenses and register for a *Certificate of Authority* by using [New York Business Express](#).

See [Start or expand a business](#), and Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#), for more information.

### Vendors selling taxable goods and services must register

Sales of tangible personal property are subject to New York sales tax unless they are specifically exempt. Sales of services are generally exempt from New York sales tax unless they are specifically taxable. Whether you operate from a store, your home, over the Internet, from a cart, or at a craft fair, you will need to register as a sales tax vendor if you sell tangible personal property or services that are subject to sales tax and meet any of the following conditions:

- you maintain a place of business in the state, such as a store, office, or warehouse, and sell taxable tangible personal property or services to persons within the state; or
- in the immediately preceding four sales tax quarters, your cumulative total of gross receipts from sales of tangible personal property delivered into the state exceeded \$500,000, **and** you made more than 100 sales of tangible personal property delivered in the state (see [Registration requirement for businesses with no physical presence in New York State](#) for more information); or

- you solicit business in New York State through employees, independent contractors, agents, or other representatives, and through these persons, sell taxable tangible personal property or services in New York State; or
- you solicit business and sell taxable tangible personal property or services through catalogs or other advertising material, and have some additional connection with the state; or
- you make sales of taxable products to customers within New York State, and regularly (at least 12 times a year) deliver the products in your own vehicles.

Hotel operators and recipients of amusement charges are also required to register. See [Other sales subject to sales tax](#).

### Definition of tangible personal property

The term *tangible personal property* means any kind of physical personal property that has a material existence and is perceptible to the human senses (in other words, something you can see and touch). Sales of tangible personal property and certain services are subject to sales tax when delivered in New York State.

Examples of taxable tangible personal property include:

- raw materials such as wood, cloth, or metal;
- manufactured items such as jewelry, furniture, machinery, and appliances;
- motor vehicles, gasoline, oil, and chemicals;
- computers and prewritten computer software (canned or off-the-shelf);
- artistic items such as paintings, sculptures, photographs, and craft items;
- animals, trees, shrubs, and flowers; and
- certain grocery store items such as soda, beer, candy, and bottled water.

### Marketplace providers and marketplace sellers

A *marketplace provider* is a person who, pursuant to an agreement, facilitates sales of tangible personal property by *marketplace sellers*. In general, a person “facilitates a sale of tangible personal property” when they:

- provide the forum in which a sale takes place (such as, an Internet website, catalog, shop, or store); and
- collect the receipts paid by a customer to a seller on the marketplace.

If you are a marketplace provider located in New York State, you are required to register for sales tax and collect tax on taxable sales of tangible personal property that you facilitate for marketplace sellers.

If you are a marketplace provider with no physical presence in New York State, you must register for sales tax if, in the previous four sales tax quarters, your cumulative total of gross receipts from sales made or facilitated of tangible personal property delivered into the state exceeded \$500,000, **and** you made or facilitated more than 100 sales of tangible personal property delivered in the state.

If you are a marketplace seller and meet any of the sales tax registration requirements for vendors selling taxable goods and services, you must register and file periodic sales tax returns even if a marketplace provider will remit the sales tax due on sales they facilitate for you.

For more information about marketplace providers, see [TSB-M-19\(2.1\)S](#), *Sales Tax Collection Requirement for Marketplace Providers*.

## Out-of-state businesses

If you are located outside of New York State and have customers in New York State, you will need to register for sales tax if you make sales of tangible personal property or services that are subject to tax in New York State and meet any of the following conditions:

- in the immediately preceding four sales tax quarters, your cumulative total of gross receipts from sales of tangible personal property delivered into the state exceeded \$500,000, **and** you made more than 100 sales of tangible personal property delivered in the state (see [Registration requirement for businesses with no physical presence in New York State](#) for more information); or
- you solicit business in New York State through employees, independent contractors, agents, or other representatives, and through these persons, sell taxable tangible personal property or services in New York State; or
- you solicit business and sell taxable tangible personal property or services through catalogs or other advertising material, and have some additional connection with the state; or
- you make sales of taxable products to customers within New York State and regularly (at least 12 times a year) deliver the products in your own vehicles.

For more information on independent contractors, representatives, and affiliates, see [Presumption applicable to definition of sales tax vendor](#).

## Certain installation, repair, and maintenance services are subject to sales tax in New York State

If you are in the business of installing, repairing, maintaining, or servicing tangible personal property, you must register for sales tax. This includes services such as:

- motor vehicle repair,
- dog grooming,
- appliance repair,
- computer repair, and
- installation of car stereos.

If you are in the business of performing repair and maintenance services to real property, you must register for sales tax. This includes services such as:

- lawn mowing,
- interior or exterior painting of an existing house or structure,
- snow removal services,
- plumbing repairs,
- electrical repairs, and
- swimming pool maintenance.

For more information on repair and maintenance to real property, see Tax Bulletin [Contractors – Repair, Maintenance, and Installation Services to Real Property \(TB-ST-129\)](#).

## Other sales subject to sales tax

Certain other types of sales also require that you register for sales tax. These include sales of:

- certain information services (see [TSB-M-10\(7\)S](#), *Sales and Compensating Use Tax Treatment of Certain Information Services*);
- food and beverages at a restaurant, bar, or similar establishment (see Tax Bulletin [Sales by Restaurants, Taverns, and Similar Establishments \(TB-ST-806\)](#));
- hotel occupancy (see Tax Bulletin [Hotel and Motel Occupancy \(TB-ST-331\)](#));
- admission charges to a place of amusement, such as zoos, amusement parks, trade shows, and sporting events (see Tax Bulletin [Admission Charges to a Place of Amusement \(TB-ST-8\)](#));
- interior decorating and design services (see Tax Bulletin [Interior Decorating and Design Services \(TB-ST-400\)](#));
- storage, except for certain self-storage units (see Tax Bulletin [Household Movers and Warehouse - General \(permanent\) storage and portable storage containers \(TB-ST-340\)](#));
- protective services (security) and detective services (see [N-90-20](#), *New York State Sales and Use Tax on Protective and Detective Services*);
- parking (see Tax Bulletin [Parking, Garaging, and Storing Motor Vehicles \(TB-ST-677\)](#)); and
- miscellaneous personal services in New York City (see Tax Bulletin [Miscellaneous Personal Services and Related Sales in New York City \(TB-ST-575\)](#)).

These lists are examples of the types of sales that are subject to sales tax, and do not include every kind of sale that will require you to register for sales tax. If you will be making any of these types of sales, you must register for sales tax, whether you make these sales on a regular basis or just occasionally, or whether you have a storefront or sell out of your home. For more information on taxable and exempt property and services, see Tax Bulletin [Quick Reference Guide for Taxable and Exempt Property and Services \(TB-ST-740\)](#).

## Wholesalers

If your business will be selling tangible personal property to wholesalers or retailers, you must register for sales tax in order to issue and accept most exemption certificates.

## Manufacturers

Manufacturing includes a variety of operations, including manufacturing and processing, along with mining and extracting. In most cases, manufacturers do not have to collect sales tax on the sales that they make because the products will later be resold.

However, a manufacturer must register for sales tax for other reasons. Manufacturers must be registered for sales tax to accept resale certificates from their customers, and to buy certain items (such as raw materials, machinery, equipment and electricity used in production) without paying sales tax. For more information, see Tax Bulletin [Machinery, Equipment, Materials, and Services Used in Production \(TB-ST-552\)](#).

## At-home businesses

If you operate a trade or business from your home, you have the same responsibilities as any other vendor making the same types of taxable sales in New York State. The requirement to register is based on what types of items you sell, or what kind of services you provide, and not on your location or number of hours you work. You are required to register if the items or services that you sell are subject to sales tax. This requirement also includes the sale of items through an online auction or other websites.

Some examples of typical businesses that people run out of their homes that **are subject to sales tax** include:

- antique sales,
- landscaping,
- event parking,

- contracting,
- small engine repair, and
- craft businesses.

You are required to register for 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 the items that you are selling are subject to sales tax. Items commonly sold at craft fairs and through online auction sites, such as knitted and crocheted items, homemade soaps and candles, holiday decorations, woodworking projects, and homemade candy are just a few examples.

Some examples of typical businesses that people run out of their homes that **do not make taxable sales** include:

- day care centers;
- selling baked goods (pies, wedding cakes, homemade jams and jellies);
- accounting offices; and
- real estate offices.

See Tax Bulletin [Sales from Your Home \(TB-ST-807\)](#), for more information.

### **Filing requirements for occasional or isolated 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 home and have no intention of making sales on a regular basis as a business do not have to register for sales tax. These occasional 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, you must collect sales tax from the buyer and send it to New York State if the item is taxable, unless the sale meets the special rules for a garage sale discussed in Tax Bulletin [Sales from Your Home \(TB-ST-807\)](#). Use [Form ST-131](#), *Seller's Report of Sales Tax Due on a Casual Sale*, to remit tax due on a casual sale.

*Example: You are retiring and moving into a smaller home. You decide to sell your dining room set which includes a table, chairs, and hutch for \$800. You list the furniture in your 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. You are required to collect sales tax on the selling price of the items and send it to New York State with [Form ST-131](#).*

### **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 seller 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 sell 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 using [Form ST-131](#), *Seller's Report of Sales Tax Due on a Casual Sale*.

### **Special rules for estate sales and auctions**

The exemptions that apply to sales made from your home do not apply to sales that are made through an auctioneer, sheriff, or other third party, or to a sale held to liquidate an estate. These types of sales are considered sales by a vendor and are subject to sales

tax. The tax is collected by the auctioneer, sheriff, or third party, and the private resident individual is not required to register.

### **Sales made by exempt organizations**

Special rules apply to sales made by exempt organizations such as religious and charitable organizations, and public and private school groups. [Publication 843](#), *A Guide to Sales Tax in New York State for Exempt Organizations*, provides information on the requirements for an exempt organization to be registered for sales tax.

### **Show and entertainment promoters**

You do not have to register for sales tax if you plan on doing business as a show or entertainment promoter but will not be making any sales of taxable tangible personal property or taxable services. However, you may have to register as a show or entertainment promoter. For information on the registration requirements for show or entertainment promoters, see [Form DTF-723](#), *Application for Show Permit and Notice of Show*, or [Form DTF-728](#), *Application for Entertainment Promoter Certificate*, and [Publication 750](#), *A Guide to Sales Tax in New York State*.

Some promoters may have to register as both a promoter and a vendor. For example, if you are operating as a show or entertainment promoter and will also rent tables and chairs to vendors, you will need to register for sales tax to collect and remit sales tax due on the rental of the tables and chairs.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is 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**

**Tax Law:** Sections 1101(b)(6); 1101(b)(8); 1101(e); 1105; 1116; and 1131

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