

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

TSB-A-91 (50)S
Sales Tax
July 22, 1991

STATE OF NEW YORK

COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. S910507B

On May 7, 1991, a Petition for Advisory Opinion was received from Morton L. Coren, P.C., 638 Meadow Court, Westbury, NY 11590.

The issue raised by Petitioner, Morton L. Coren, P.C., is whether it is permissible to maintain computer readable tapes as an alternative to the paper copies of the register tapes for purposes of maintaining sales tax records pursuant to Section 1135 of the Tax Law.

The first cash registers were mechanical devices, which stamped information directly on the paper tape. The development of point of sale electronic registers has changed the nature of the register from a mechanical device to a small computer terminal with a computerized memory and digitalized recording of sales transactions on computer readable tapes.

A computer program has been developed which will save all of the information input into the register at the time of sale. The format of the information is exactly the same as the paper tape. In fact, the printout of the computerized information is an identical reproduction of the register tape.

The high cost of storage and tremendous amount of wasted space has forced large companies to look for other alternatives to storing thousands of boxes of the paper register tapes. The storing of paper tapes are subject to many problems such as being a fire hazard or being destroyed by flooding or animals in basement storage areas.

Section 1135(a)(1) of the Tax Law provides that:

Every person required to collect tax shall keep records of every sale or amusement charge or occupancy and of all amounts paid, charged or due thereon and of the tax payable thereon, in such form as the commissioner of taxation and finance may by regulation require. Such records shall include a true copy of each sales slip, invoice, receipt, statement or memorandum upon which subdivision (a) of section eleven hundred thirty-two requires that the tax be stated separately.

Section 533.2(f)(1) of the Sales and Use Tax Regulations provides that:

(i) All records, including sales memoranda, purchase memoranda and records originated at the time of sale, and any other documents, books or records pertaining to tax liability and tax collections, must be dated, legible, and maintained and preserved in such manner as to disclose in readily accessible and verifiable detail the basis for and accuracy of the entries reported on the sales and use tax return.

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(ii) All records originated at the time of sale may be reproduced on any photograph, photostat, microfilm, micro-card, miniature photograph or other process which actually reproduces the original record. Computer output microfilm does not actually reproduce the original record within the meaning of this subdivision and, therefore, is not an acceptable means of reproducing hard-copy documents originating at the time of sale without the specific written permission of the District Office Audit Bureau.

Accordingly, pursuant to Section 1135(a)(1) of the Tax Law and Section 533.2(f)(1) of the Sales and Use Tax Regulations maintaining computer readable tapes of the original transactions recorded at the time of sale, which print out in the same format of information as cash register paper tapes, is an acceptable method of record keeping.

DATED: July 22, 1991

s/PAUL B. COBURN
Deputy Director
Taxpayer Services Division

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