

STATE OF NEW YORK
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

The Department of Taxation and Finance received a Petition for Advisory Opinion from [REDACTED] (Petitioner), a New York resident. Petitioner asks whether sales tax is imposed on her receipts from travel planning and concierge services, and if those receipts are subject to income tax. We conclude that sales tax is not imposed on those receipts. However, the receipts are included in Petitioner's income and are subject to personal income tax.

Facts

Petitioner markets group travel packages to solo female travelers. Petitioner books hotel rooms, tours, activities and meals. During each trip, Petitioner serves as the group leader and concierge. Petitioner charges a non-refundable fee of \$350 for her services. If owed, sales tax is charged to each traveler by the hotels, tour companies and restaurants.

Analysis

Tax Law § 1105(c) imposes sales tax on certain services, which do not include travel planning and concierge services. Accordingly, sales tax is not imposed on Petitioner's receipts for those travel services.

Tax Law § 612(a) provides that the New York adjusted gross income of a resident individual is his or her federal adjusted gross income with any applicable modifications. Federal adjusted gross income is defined as gross income minus certain specific deductions. *See* Internal Revenue Code § 62(a). Internal Revenue Code § 61(a) provides that gross income means all income from whatever source derived, including (but not limited to): (1) compensation for services, including fees, commissions, fringe benefits, and similar items; and (2) gross income derived from business. Accordingly, Petitioner's fees for her services as a travel agent are reportable as gross income for federal income tax purposes. Therefore, they are includable in New York adjusted gross income and subject to the New York personal income tax.

DATED: July 16, 2024

/s/

MARY ELLEN LADOUCEUR
Principal Attorney

NOTE: An Advisory Opinion is issued at the request of a person or entity. It is limited to the facts set forth therein and is binding on the Department only with respect to the person or entity to whom it is issued and only if the person or entity fully and accurately describes all relevant facts. An Advisory Opinion is based on the law, regulations, and Department policies in effect as of the date the Opinion is issued or for the specific time period at issue in the Opinion. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.