

**New York State Department of Taxation and Finance
Office of Counsel**

TSB-A-20(38)S
Sales Tax
July 28, 2020

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] (hereinafter “Petitioner”). Petitioner asks whether its service of allowing customers to access its database and run reports of the customers’ data is subject to sales tax.

We conclude that Petitioner’s database service is an information service that is personal and individual in nature and, therefore, is not subject to sales tax.

Facts

Petitioner enters into agreements with customers to maintain their fleets of vehicles. Petitioner also maintains data on all maintenance performed for its customers, including the vehicle involved, the date of maintenance, and the type of maintenance provided.

For a separate monthly charge per vehicle, Petitioner allows customers access to the data it compiles. If a customer agrees to pay this fee, it can log onto a website to access the data and run reports regarding the maintenance performed on its vehicles. For example, a customer can run a report showing how many oil changes were performed in January or how many times a specific vehicle was in for maintenance over a period of time. The customer can generate a report only for its own vehicles. It cannot access other customers’ data. Petitioner also does not sell its customers’ maintenance information to third parties.

Analysis

The Tax Law imposes sales tax on the receipts from every sale, except for resale, of the service of furnishing information, including collecting, compiling or analyzing information and furnishing reports thereof to other persons, except the furnishing of information “which is personal or individual in nature and which is or may not be substantially incorporated into reports furnished to other persons” Tax Law § 1105(c)(1).

Petitioner’s database service is an information service because it includes compiling and organizing customer information. *See TSB-A-10(20)S.* Petitioner allows customers to run reports on the repair and maintenance history for a specific vehicle. However, because Petitioner compiles and organizes information about a customer’s own vehicles and each customer’s

information is provided only to that customer, Petitioner's information service is personal or individual in nature, and therefore, is not subject to tax. *See* Tax Law § 1105(c)(1).

DATED: July 28, 2020

/S/

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Deputy Counsel

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.