

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

TSB-A-82(24)S  
Sales Tax  
August 5, 1982

STATE OF NEW YORK  
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. S811203A

On December 3, 1981 a Petition for Advisory Opinion was received from Cathedral Envelope Co., Inc., 980 Northampton Street, P.O. Box 1293, Buffalo, New York 14240.

The issue raised is whether receipts from the sale of shipping cartons to Petitioner are subject to sales tax.

Petitioner produces church collection envelopes which it distributes in the following manner. Petitioner purchases shipping cartons which are delivered to it at its Buffalo location. Petitioner then packs the church collection envelopes in the shipping cartons, which are delivered to a New York post office. These cartons are in turn shipped to various post offices outside New York State, for distribution of their contents by the out-of-state post offices. The shipping cartons are discarded by the out-of-state post offices and, in any event, are not transferred to Petitioner's customers.

Section 1105(a) of the Tax Law imposes the State sales tax on the receipts from retail sales of tangible personal property where delivery occurs in New York. Where Petitioner purchases shipping cartons to be used as described above, such sale constitutes a retail sale the receipts from which are subject to tax insofar as the cartons are delivered to Petitioner, by its supplier, in New York. Petitioner's citation of the Industry Guidelines for the printing and mailing industry is not germane to the present matter. The cited statement merely indicates that where a printer sells any of the listed items, including cartons and containers, and where delivery is made by the printer to its customer outside New York, no tax need be collected by the printer from its customer.

Section 1115(a)(19) of the Tax Law provides for an exemption from tax with respect to: "Cartons, containers, and wrapping and packaging materials and supplies, and components thereof for use and consumption by a vendor in packaging or packing tangible personal property for sale, and actually transferred by the vendor to the purchaser." Petitioner's purchases of shipping cartons are not eligible for this exemption inasmuch the cartons are not actually transferred by Petitioner to the purchaser of the envelopes.

DATED: July 20, 1982

s/LOUIS ETLINGER  
Deputy Director  
Technical Services Bureau