

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

TSB-A-94 (16)S
Sales Tax
April 6, 1994

STATE OF NEW YORK
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. S940118A

On January 18, 1994 a Petition for Advisory Opinion was received from Anne E. Steger, 3 Birchstone Hill Rd., Rush, N.Y. 14543.

The issue raised by Petitioner, Anne E. Steger, is whether the sale by Quality Surveys of its customer satisfaction survey consulting service is subject to sales tax under Section 1105(c)(1) of the Tax Law.

Petitioner currently provides customer satisfaction survey consulting services to non-profit hospitals. It is anticipated that in the near future these services will be expanded to include physician offices and universities.

The services provided range from assisting institutions in developing survey instruments and reporting outcomes to recommending and developing programs for implementing change based on survey findings. The services are in the form of verbal discussion or written reports based on the needs of the client. A typical client will need to have a survey developed, data analyzed, and a report generated on the findings.

Section 1105(c) of the Tax Law imposes a tax upon the receipts from every sale, except for resale, of the following services:

(1) The furnishing of information by printed, mimeographed or multigraphed matter or by duplicating written or printed matter in any other manner, including the services of collecting, compiling or analyzing information of any kind or nature and furnishing reports thereof to other persons, but excluding the furnishing of information which is personal or individual in nature and which is not or may not be substantially incorporated in reports furnished to other persons. . . . (Emphasis supplied).

Regulation Section 527.3(b)(2) further explains §1105(c)(1) of the Tax Law as follows:

The sales tax does not apply to the receipts from the sale of information which is personal or individual in nature and which is not or may not be substantially incorporated into reports furnished to other persons by the person who has collected, compiled or analyzed such information. . . .

Since the report is developed from data which is collected and analyzed by Quality Surveys, the sale of such report in written form constitutes the rendering of an information service within the meaning and intent of Section 1105(c)(1) of the Tax Law.

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However since the reports pertain only to customer satisfaction surveys in particular offices or facilities, the reports are considered to be uniquely personal or individual in nature, thus satisfying the first condition required for exclusion from sales tax pursuant to Section 1105(c)(1) of the Tax Law.

The second condition for exclusion mandates that the information may not be substantially incorporated in reports furnished to other persons. Provided the reports furnished to the client meet this condition, Quality Surveys' consulting services will be considered to meet the requirements for exclusion from sales tax under Section 1105(c)(1) of the Tax Law.

DATED: April 6, 1994

/s/
PAUL B. COBURN
Deputy Director
Taxpayer Services Division

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