

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

TSB-M-82(14)S  
Sales Tax  
April 1, 1982  
(Revised)

1981 Amendments to the Tax Law

Article 28

<u>Law Section</u>	<u>Chapter</u>	<u>Legislative Bill Section</u>	<u>TSB-M# *</u>	<u>Brief Summary</u>
1105(c)(3)	103	38	81(14)S	Effective September 1, 1982, the services of installing, repairing, maintaining and servicing tangible personal property used directly and predominantly to produce a product for sale by farming are exempted from state and local sales and use taxes (except in New York City).
1101(b)(4)(i) and 1115(a)(22)	103 and 1043	69  38, 39	81(25)S	Effective retroactively, an exemption from sales and use tax is provided for the rental or lease of trucks, trailers or tractor/trailer combinations when all the following conditions are met: the rental or lease is made to and by an authorized carrier; the rental or lease is made pursuant to a written contractual agreement; the vehicle is used as augmenting equipment in the transportation for hire of tangible personal property by an authorized carrier and the vehicle is driven by the owner of the vehicle or one of his employees. Section 1101(b)(4)(i) was expanded to include purchases of vehicles so used.
1142(9)	103, 1043	105 through 109	81(10)S	Effective August 13, 1981, a change was made in the basis for computing interest; and in the rate of interest on late payments, assessments, and refunds of taxes with respect to New York State personal income tax, unincorporated business income tax, gift tax, sales and use taxes, corporate and certain other taxes.
1142(9)	1043	107	81(10.1)S	Contains current rates to be used in computing interest on late payments, assessments and refunds of taxes for the period March 1, 1982 through February 28, 1983.

\*For further information, see the applicable memorandums.

<u>Law Section</u>	<u>Chapter</u>	<u>Legislative Bill Section</u>	<u>TSB-M# *</u>	<u>Brief Summary</u>
1101(b)(9)	471	1,2,3	81(16)S	For sales and use tax purposes, a capital improvement has been defined as an addition or alteration to real property which: (i) substantially adds to the value of the real property, or appreciably prolongs the useful life of the real property and (ii) becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; and (iii) is intended to become a permanent installation. This amendment became effective July 7, 1981.
1109	485	1,2,3	81(15)S	Effective September 1, 1981, this new section imposes a special ¼% sales and use tax in the "metropolitan commuter transit district," which consists of New York, Bronx, Kings, Queens, Richmond, Dutchess, Orange, Putnam, Westchester, Rockland, Suffolk and Nassau counties. This special tax is imposed on all tangible personal property and services presently subject to the <u>New York State</u> sales and use tax.
1118(9)	604	19	81(23)S	Effective July 22, 1981, this paragraph provides for exemption from compensating use tax on the use of a thoroughbred, standardbred or quarter horse purchased outside New York State by a resident of New York State, and brought into New York State for the purpose of entering a parimutuel racing event and preparing therefor. This exemption does not apply to any horse which enters racing events in New York State on more than five days in any one calendar year.
1138(a)(4) 1147(a)(1)	760	1,2	81(23)S	Effective July 27, 1981 this paragraph requires that Notices of Determination and Demand for Payment of Sales and Use Taxes Due, and notices of determination of the Tax Commission issued after an administrative hearing, must be sent promptly by registered or certified mail to the person against whom the tax is assessed or the applicant.

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\*For further information, see the applicable memorandums.

NOTE: This revision of Page 3 of TSB-M-82 (14)S is to be substituted for the original page 3 which should be destroyed.

<u>Law Section</u>	<u>Chapter</u>	<u>Legislative Bill Section</u>	<u>TSB-M# *</u>	<u>Brief Summary</u>
1116(b)(3)	781	1	81(18)S	Effective September 1, 1981, this paragraph prescribes that organizations which have been certified by the Department as exempt under sections 1116(a)(4) and 1116(5) of the Tax Law, and which provide the services of parking, garaging and storing of motor vehicles must register and collect sales tax on sales of such services at the same rate as any other person, business or organization required to collect the tax. Presently, only New York City imposes a tax on the services listed above. The rate is 6% in the counties of Bronx, Kings, Queens and Richmond; 14% in New York County (Manhattan).
1115(a)(12)	846	24	81(20)S	Effective August 26, 1981, the production exemption was extended to include all pipe, pipeline, drilling rigs, service rigs, vehicles and associated equipment used in the drilling, production and operation of oil, gas and solution mining activities to the point of sale to the first commercial purchaser.
1115(a)(23) 1105(c)(3)	861	1,2,3	81(22)S	Applicable on or after December 31, 1981, an exemption from sales tax has been provided for sales of mobile homes and factory manufactured homes <u>except</u> for the first sale of a mobile home or factory manufactured home made by the manufacturer thereof. Provision has also been made for an exemption from sales tax on the installation of a mobile home or factory manufactured home. <u>NO</u> exemption is provided for the maintenance, service or repair of such homes.

Article 29

<u>Law Section</u>	<u>Chapter</u>	<u>Legislative Bill Section</u>	<u>TSB-M #*</u>	<u>Brief Summary</u>
1212-A	382	1	81(13)S	This amendment extends for one year- September 1, 1981 through August 31, 1982- the right of New York City to impose tax on certain selected services. Based on such authorization, New York City enacted local laws extending the 4% tax imposed on credit rating and credit reporting services and protective and detective services.

1981 Amendments Affecting the Tax Law

Highway and Canal Law

<u>Chapter</u>	<u>Legislative Bill Section</u>	<u>TSB-M# *</u>	<u>Brief Summary</u>
196	1	81(17)S	Section 38(7)(f) of the Highway Law and section 30(7)(e) of the Canal Law have been amended to provide for the safeguarding of New York State taxes (including sales and use taxes) due the State from foreign contractors who have come into New York State to work on the canal system. Effective August 8, 1981, for contracts awarded on and after August 8, 1981, such contractor must furnish satisfactory proof of payment of taxes due by him to the Tax Commission, before any partial or final payment for services rendered can be made to the contractor.

\*For further information, see the applicable memorandums.