

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

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Sales Tax
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New York State Sales and Use
Tax on Interior Cleaning and
Maintenance Services

Effective June 1, 1990, a combined state and local sales tax is imposed on all charges for interior cleaning and maintenance services performed in New York State, regardless of whether performed on an as-needed (short-term) basis or long-term contractual basis.

Prior to June 1, 1990, except in New York City, the charges for interior cleaning and maintenance services were only subject to New York State and local sales tax when performed on an as-needed basis or for a term of less than 30 days, whether or not such services were performed under a contract.

In New York City, where the state sales tax must now be collected in addition to the 4% city sales tax already being collected on charges for interior cleaning and maintenance services, a separate accounting must be made of interior cleaning and maintenance services performed in New York City on a regular contractual basis for a period of 30 days or more and those that are for a period of less than 30 days. The combined state and local sales taxes collected in New York City (8 1/4%) in connection with these two categories must be separately reported on Schedule N.

Vendors who sell interior cleaning and maintenance services outside New York City are required to report the combined state and local sales tax on their regular sales and use tax return.

Interior cleaning and maintenance services include ordinary janitorial services such as: dusting furniture, pictures, windowsills and ledges; vacuuming furniture and carpets; cleaning, disinfecting, and deodorizing bathrooms and bathroom fixtures; stripping, washing, waxing and buffing floors; cleaning appliances; cleaning ashtrays; changing linens; oiling door hinges; replacing light bulbs; replacing washers in faucets; adjusting thermostats; cleaning or changing filters; reading gauges and lubricating equipment; and cleaning outlets from stoves, ovens and plumbing fixtures. Interior cleaning and maintenance does not include services that are ordinarily viewed as "repair" services.

With respect to a service contract written before June 1, 1990, for a monthly, quarterly, yearly or other period of time, the charge *subject to tax* is *determined by* the following *formula*:

Number of days in contract period
falling on or after June 1, 1990 X Total charges
Total number of days in the full
contract period

Example # 1

The landlord of an office building, in upstate New York, enters into a contract with a cleaning contractor who will provide janitorial services. The contract is for one year: March 1, 1990, through February 28, 1991. The contract does not include any window cleaning, rodent and pest control or trash removal. The total charge for the year is \$65,500. The amount of the contract subject to tax is determined as follows:

$$\frac{273}{365} \times \$65,500 = \$48,990.41$$

Thus, \$48,990.41 of the contract is subject to tax at the combined state and local rate.

The charges for interior cleaning and maintenance services are subject to tax when services are provided by a contractor to a landlord/owner, managing agent or tenant. Such charges will also be subject to tax when the services are provided by a landlord or managing agent to a tenant if there is either an additional charge, or a separately stated charge, for the services.

Example #2

A cleaning service is under contract with a landlord to provide regular interior cleaning and maintenance services for the tenants of an office complex in the city of Albany. The landlord does not charge the tenants separately for the services and does not reduce the rent payments for tenants who choose to provide their own cleaning and maintenance service. The landlord is not required to collect tax from the tenants on any portion of the rent since no separately stated charge is made for the cleaning and maintenance services. However, the landlord is liable for the tax on charges for the interior cleaning and maintenance services at the combined state and local rate of 7% in the city of Albany (4% New York State, 3% Albany County).

Example #3

Interior cleaning and maintenance services are provided to residents of a residential hotel located in the city of Buffalo by a staff employed by the managing agent for the hotel. A resident will be billed separately if the resident chooses to use the interior cleaning and maintenance services. This separate charge to the resident by the managing agent is subject to sales tax at 8% in the city of Buffalo (4% New York State, 4% Erie County).

If an employee provides interior cleaning and maintenance services for his or her employer, the Wages, salaries or other compensation paid to the employee for these services are not subject to tax.

Interior cleaning and maintenance services performed by individuals who do occasional odd cleaning and maintenance jobs and who neither offers such services to the public nor regularly perform such services in their own business or as an employee of another person are not subject to tax.

Every vendor that is required to collect the sales tax due on charges for interior cleaning and maintenance services must collect the tax from its customers at the time the charges for the services are collected. Whenever the customer is given a sales slip, invoice, receipt, or other document as evidence of the purchase, that document must separately state the sales tax. The words "tax included" or some similar phrase are not evidence that the tax has been paid or collected; and where the tax is not separately stated, the entire amount charged will be deemed the sale price and tax will be due on that total charge.

Vendors of interior cleaning and maintenance services who are not presently registered to collect sales tax must file a certificate of Registration with the Tax Department. The vendor must possess a valid Certificate of Authority at the time the interior cleaning and maintenance service is provided. Vendors who perform such services without possessing a valid certificate are in violation of the Tax Law, and are subject to civil and/or criminal fines and penalties. Information regarding the collection and reporting of sales tax and the filing of sales tax returns will be provided as part of the registration and filing process. To request a Certificate of Registration, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073. If you need to write, address your letter to: New York State Tax Department, Taxpayer Assistance Bureau, W. A. Harriman Campus, Albany, New York 12227.