

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

TSB-M-94 (2) S  
Sales Tax  
September 15, 1994

EQUIPMENT FURNISHED IN CONJUNCTION WITH CABLE TELEVISION SERVICE

The Federal Cable Act of 1992 requires cable television transmission service providers to establish rates for all the tangible personal property supplied with their services. They must separately state charges for these items on their customers' bills. These components include, but are not limited to:

- (1) remote control units (hand held devices);
- (2) converter boxes (for basic service and other cable programming services, e.g., pay per channel or pay per view programming); and
- (3) equipment used for making connections for additional television receivers.

Charges for the tangible personal property required to be separately stated represent elements of the total charge for the cable television transmission and are incidental to the primary service being provided. Therefore, the total recurring charge to subscribers for cable television transmission service, including separately stated charges for converter boxes, control units or additional connections, continue to be exempt from New York State and local sales and use taxes.

Tangible personal property that is a component of cable television service may not be purchased for resale by the cable television service provider. The service provider remains liable for the payment of the applicable State and local sales and use tax on the purchase of this property.

Charges to a customer for installation of cable service remain subject to tax.

Refer to TSB-M-80(6)S, Taxability of Purchases and Sales By Cable Television and Other Transmission Service Companies, for information about other purchases and charges.