

**Dues Paid to Homeowners Associations**  
**and Certain Other Organizations**

Effective December 1, 1995, an amendment to the Tax Law provides an exclusion from sales tax, under certain conditions, for dues and initiation fees paid to homeowners associations that provide social or athletic facilities to members. The exclusion from tax also applies to dues and initiation fees paid to cooperative housing corporations, condominium associations and cooperative apartment corporations.

For ease of reference, where the term "homeowners associations" appears in this memorandum, it also includes cooperative housing corporations, condominium associations and cooperative apartment corporations.

To qualify for the exclusion, the homeowners associations must meet the following conditions:

- ! The membership of the homeowners associations must consist exclusively of owners or residents of residential dwelling units. For condominium associations, this means that all the members must be owners of condominium units. In instances involving cooperative housing corporations and cooperative apartment corporations, the members must all be shareholders.
  
- ! The residential dwelling units must all be within a defined geographical area such as a building, a group of buildings, a housing development or subdivision.
  
- ! The social or athletic facilities must be within the defined geographical area of the residential units.

- ! The social or athletic facilities must be for use by the members of the homeowners associations. However, use of the facilities does not have to be limited to only members of the associations.

Payments made by homeowners associations for purchases of maintenance and repairs (including maintenance and repairs to social or athletic facilities) continue to be subject to sales tax.

Taxable purchases by homeowners associations include, but are not limited to:

### Services

- ! landscaping services (fertilizing lawns and gardens, mowing, mulching, weeding, pruning, removal of trees or shrubs, etc.)
- ! swimming pool maintenance (e.g., adding chemicals, vacuuming, cleaning, repairing of pumps and filters)
- ! paint striping or taping of parking lots or tennis courts
- ! removal of snow from parking lots, roadways and sidewalks
- ! utilities (e.g., gas and electric)
- ! janitorial services, etc.

### Items of Property

- ! washing machines and dryers for utility rooms
- ! garden and lawn equipment and supplies (shovels, rakes, lawn mowers, tractors, snow removal equipment, fertilizer, mulch, ice melt, etc.)
- ! swimming pool chemicals and supplies (vacuum nozzles, vacuum hoses, brushes, hand skimmers, etc.)
- ! janitorial tools and supplies (soaps, cleaners, light bulbs, etc.)