

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

TSB-M-98(10)S  
Sales Tax  
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**Telecommunications Station Apparatus or Central Office Equipment**

Effective on and after September 1, 1998, the sales and compensating use tax production exemption for telephone central office equipment, station apparatus, or comparable telegraph equipment has been expanded. Sections 1115(a)(12), 1108(b)(1), and 1210(a)(1) of the Tax Law have been amended to reflect the expanded exemption. Prior to September 1, 1998, the exemption applied to telephone central office equipment, station apparatus, or comparable telegraph equipment used directly and predominantly (more than 50%) in receiving at destination or initiating and switching telephone or telegraph communication. The expanded exemption covers telephone central office equipment, station apparatus, or comparable telegraph equipment for use directly and predominantly in receiving, amplifying, processing, transmitting, and retransmitting telephone or telegraph signals.

Parts with a useful life of one year or less, tools, and supplies used directly and predominantly in or on the telephone and telegraph equipment described above are exempt from the State and local sales and compensating use tax, and the sales and compensating use tax imposed in New York City pursuant to section 1107 of the Tax Law for the benefit of the Municipal Assistance Corporation (Tax Law section 1105-B). The charges for installing, repairing, maintaining, or servicing the telephone or telegraph equipment, or the parts with a useful life of one year or less, tools, and supplies mentioned above are also exempt from the State sales and compensating use tax and the section 1107 sales and compensating use tax in the city of New York (Tax Law 1105-B).