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## Do I Need to Register for Sales Tax?

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### Introduction

If you will be making sales in New York State that are subject to sales tax, you must register with the Tax Department and obtain a *Certificate of Authority*. The *Certificate of Authority* gives you the right to collect sales tax on your taxable sales and to issue and accept most New York State sales tax exemption certificates.

How often you sell or how much you charge for goods and services does not usually determine whether you need to register for sales tax. For example, if you sell taxable items at a craft fair only once a year, you are required to register, and to collect and remit sales tax, because what you are selling is taxable in New York State. However, if you open an office and provide accounting services, you are not required to register for sales tax purposes because the services you will be providing are not subject to sales tax. This bulletin explains who is required to register, and what kinds of goods and services are generally subject to tax.

Even if you are not required to register with the Tax Department for sales tax purposes, you may be responsible for other taxes or may need other permits or licenses issued by various state agencies. You can find information about other taxes and licenses for your particular type of business by following these links:

- the Tax Department's Web page [Start or buy a business](#); and
- the [NYS License Center](#).

For information about the sales tax registration process, see Tax Bulletin [How to Register for New York State Sales Tax \(TB-ST-360\)](#).

### Vendors selling taxable goods and services must register

Whether you operate from a store or sell goods or services from your home, over the Internet, from a cart, or at a craft fair, you will need to register for sales tax if you are considered to be a vendor. You are a *vendor* and must register with the Tax Department if you sell tangible personal property or services that are subject to sales tax, and meet any of the following conditions:

- you maintain a place of business in the state, such as a store, office, or warehouse, and sell taxable, tangible personal property or services to persons within the state; or
- you solicit business in New York State through employees, independent contractors, agents, or other representatives, and through these persons, sell taxable, tangible personal property or services in New York State; or
- you solicit business through catalogs or other advertising material, and have some additional connection with the state, and through the catalogs you sell taxable, tangible personal property or services; or
- you make sales of taxable products to customers within New York State and regularly (at least 12 times a year) deliver the products in your own vehicles.

Hotel operators and recipients of amusement charges are also required to register. See *Other sales are subject to sales tax*, below.

### **Definition of tangible personal property**

The term *tangible personal property* means any kind of physical personal property that has a material existence and is perceptible to the human senses (in other words, something you can see and touch). Sales of tangible personal property and certain services are subject to sales tax when delivered in New York State.

Examples of taxable tangible personal property include:

- raw materials (for example, wood, cloth, or metal);
- manufactured items such as jewelry, clothing, furniture, machinery, and appliances;
- motor vehicles, gasoline, oil, and chemicals;
- computers and prewritten computer software (canned or off-the-shelf);
- artistic items such as paintings, sculptures, photographs, and craft items;
- animals, trees, shrubs, and flowers; and
- certain grocery store items such as soda, beer, candy, and bottled water.

### **Certain installation, repair, and maintenance services are subject to sales tax in New York State**

If you are in the business of installing, repairing, maintaining, or servicing tangible personal property, you are required to register for sales tax. This includes services such as:

- motor vehicle repair,
- dog grooming,
- appliance repair,
- computer repair, and
- installation of car stereos.

If you are in the business of performing repair and maintenance services to real property, you are required to register for sales tax. This includes services such as:

- lawn mowing,
- interior or exterior painting of an existing house or structure,
- snow removal services,
- plumbing repairs,
- electrical repairs, and
- swimming pool maintenance.

For additional information on repair and maintenance to real property, see [Publication 862](#), *Sales and Use Tax Classifications of Capital Improvements and Repairs to Real Property*.

### **Other sales are subject to sales tax**

Certain other types of sales also require that you register to collect and remit sales tax. These include sales of:

- certain information services;
- food and beverages at a restaurant, bar or similar establishment;
- hotel occupancy (see [Publication 848](#), *A Guide to Sales Tax for Hotel and Motel Operators*);
- admission charges to a place of amusement, such as zoos, amusement parks, trade shows, and sporting events;
- interior decorating and design services (see [TSB-M-95\(13\)S](#), *Repeal of New York City's Sales Tax on Interior Decorating and Design Services*);

- storage, except for certain self-storage units (see [TSB-M-86\(3\)S](#), *Taxable Status of the Rental of Self-Service Mini-Storage Units*);
- protective services (security) and detective services;
- parking (see Tax Bulletin [Sales Tax Rates, Additional Sales Taxes, and Fees \(TB-ST-825\)](#)); and
- miscellaneous personal services in New York City (see [Publication 750](#), *A Guide to Sales Tax in New York State*).

These lists are just examples of the types of sales that are subject to sales tax, and do not include every kind of sale that will require you to register for sales tax. If you will be making any of these types of sales, you must register for sales tax purposes. This is true whether you make these sales on a regular basis or just occasionally, or whether you have a storefront or sell out of your home.

### **Out-of-state businesses**

If you are located outside of New York State and have customers in New York State, you may have to register as a vendor for New York State and local sales tax purposes. For example, you must register for sales tax if:

- you make sales of taxable products to customers within New York State, and regularly (at least 12 times a year) deliver the products in your own vehicles;
- you solicit sales of taxable products or services through employees, salespersons, independent agents, or service representatives located in New York State; or
- you solicit business through catalogs or other advertising material, and have some additional connection with the state, and through the catalogs you sell taxable, tangible personal property or services.

For more information on independent contractors and representatives, see [TSB-M-08\(3\)S](#), *New Presumption Applicable to Definition of Sales Tax Vendor*, and [TSB-M-08\(3.1\)S](#), *Additional Information on How Sellers May Rebut the New Presumption Applicable to the Definition of Sales Tax Vendor as Described in TSB-M-08(3)S*.

In addition, businesses located outside of New York State that are affiliated with a vendor in New York State may also be required to register to collect and remit sales tax. Whether a New York business and an out-of-state seller are affiliated is based on an ownership test. See [TSB-M-09\(3\)S](#), *Definition of a Sales Tax Vendor is Expanded to Include Out-of-State Sellers with Related Businesses in New York State*, for additional information.

### **Wholesalers**

If your business will be selling tangible personal property to other wholesalers or retailers, you must register for sales tax purposes in order to issue and accept most exemption certificates.

### **Manufacturers**

Manufacturing includes a variety of operations, including manufacturing and processing, along with mining and extracting. In most cases, manufacturers do not have to collect sales tax on the sales that they make, because the products will later be resold.

However, a manufacturer must register for sales tax for other reasons. Manufacturers must be registered for sales tax to accept resale certificates from their customers, and to buy certain items (such as raw materials, machinery, equipment and electricity used in production) without paying sales tax. For detailed information, see [Publication 852](#), *Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*.

## Show and entertainment promoters

If you plan on doing business as a show or entertainment promoter but will not be making any sales of taxable tangible personal property or taxable services, you do not have to register for a sales tax *Certificate of Authority*. However, you may have to register as a show or entertainment promoter.

Some promoters may have to register as both a promoter and a vendor. If you are operating as a show or entertainment promoter and will be engaging in other activities such as renting tables and chairs to vendors, you will need to also register to collect and remit sales tax due on the rental of tangible personal property.

For additional information on the registration requirements for show or entertainment promoters, see [Publication 750](#), *A Guide to Sales Tax in New York State*, and [Form DTF-723](#), *Application for Show Permit and Notice of Show*, or [Form DTF-728](#), *Application for Entertainment Promoter Certificate*.

## Sales made by exempt organizations

Special rules apply to sales made by exempt organizations such as religious and charitable organizations, and public and private school groups. [Publication 843](#), *A Guide to Sales Tax in New York State for Exempt Organizations*, provides information on the requirements for an exempt organization to be registered for sales tax purposes.

## At-home businesses

If you operate a trade or business from your home, you have the same responsibilities as any other vendor making the same types of taxable sales in New York State. Whether you run your business from a store or your home, or whether you work full time or part time is not what determines your requirement to be registered for sales tax. Instead, whether or not you are required to register is based on what types of items you sell, or what kind of services you provide. If the items or services that you sell are subject to sales tax, you are required to register. This also includes items that you sell on a regular basis through online auction or other Web sites.

Some examples of typical businesses that people run out of their homes that **are subject to sales tax** include:

- antique sales,
- landscaping,
- event parking,
- contracting,
- small engine repair, and
- craft businesses.

You are required to register to collect sales tax if you make items at your home and bring them to other locations to sell or sell them over the Internet, if the items that you are selling are subject to sales tax. Items commonly sold at craft fairs and through online auction sites, such as knitted and crocheted items, homemade soaps and candles, holiday decorations, woodworking projects, and homemade candy are just a few examples.

Some examples of typical businesses that people run out of their homes that **do not make taxable sales** include:

- day care centers;
- selling baked goods (pies, wedding cakes, homemade jams and jellies);
- accounting offices; and
- real estate offices.

## Filing requirements for occasional or isolated sales

A *casual sale* is an occasional or isolated taxable sale by a person who is not in the business of selling taxable property or services. People who make casual sales from their home and have no intention of making sales on a regular basis as a business do not have to register for sales tax purposes. These occasional sales must be made from your home, and the purchaser must pick up the item at your home.

Even though you may not have to register for sales tax purposes, if the item is taxable you have to collect sales tax from the buyer and send it to New York State using [Form ST-131](#), *Seller's Report of Sales Tax Due on a Casual Sale*, unless the sale meets the special rules for a garage sale. See Tax Bulletin [Sales from Your Home \(TB-ST-807\)](#) for a discussion of the garage sale rules.

*Example: Mr. and Mrs. A are retiring and moving into a smaller home. They decide to sell their dining room set which includes a table, chairs, and hutch for \$800. They list the furniture in their local newspaper for sale. The furniture is taxable, but this sale does not require registration for sales tax purposes because it is an isolated one-time sale. However, it does not meet the special rules for garage sales because the selling price of the items exceeds \$600. Mr. and Mrs. A are required to collect sales tax on the selling price of the items and send it to New York State with [Form ST-131](#), Seller's Report of Sales Tax Due on a Casual Sale.*

## Sales of motor vehicles, boats, and snowmobiles from your home

Sales of motor vehicles, boats, and snowmobiles from your home are also subject to sales tax. In most circumstances when a private individual makes a sale of this type, the individual does not have to register or collect and remit the sales tax. The purchaser will pay any sales tax due directly to the Department of Motor Vehicles (DMV) when the vehicle, boat, or snowmobile is titled and registered. However, if you make a sale of a boat, snowmobile, or ATV that does not require registration at DMV, you must collect the sales tax and send it to New York State using [Form ST-131](#), *Seller's Report of Sales Tax Due on a Casual Sale*.

## Special rules for estate sales and auctions

The exemptions that apply to sales made from your home do not apply to sales that are made through an auctioneer, sheriff, or other third party, or to a sale held to liquidate an estate. These are considered sales by a vendor and are subject to sales tax. The tax is collected by the auctioneer, sheriff, or third party, and the private resident individual is not required to register.

## Contact us

If you have questions on whether or not your business activity requires you to be registered to collect and remit New York State sales tax, please contact our [Sales Tax Information Center](#).

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

### References and other useful information

**Tax Law:** Sections 1101(b)(6); 1101(b)(8); 1105; 1116; and 1131

**Regulations:** Sections 525.1; 526.8; 526.10; 526.11; 527.1-527.15; 528.2; 528.19; 532.1; 533.1; and 539

**Publications:**

[Publication 750](#), *A Guide to Sales Tax in New York State*

[Publication 843](#), *A Guide to Sales Tax in New York State for Exempt Organizations*

[Publication 848](#), *A Guide to Sales Tax for Hotel and Motel Operators*

[Publication 852](#), *Sales Tax Information For: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*

[Publication 862](#), *Sales and Use Tax Classifications of Capital Improvements and Repairs to Real Property*

**Memoranda:**

[TSB-M-86\(3\)S](#), *Taxable Status of the Rental of Self-Service Mini Storage Units*

[TSB-M-95\(13\)S](#), *Repeal of New York City's Sales Tax on Interior Decorating and Design Services*

[TSB-M-08\(3\)S](#), *New Presumption Applicable to Definition of Sales Tax Vendor*

[TSB-M-08\(3.1\)S](#), *Additional Information on How Sellers May Rebut the New Presumption Applicable to the Definition of Sales Tax Vendor as Described in TSB-M-08(3)S*

[TSB-M-09\(3\)S](#), *Definition of a Sales Tax Vendor is Expanded to Include Out-of-State Sellers with Related Businesses in New York State*

**Bulletins:**

[Exemption Certificates for Sales Tax \(TB-ST-240\)](#)

[How to Register for New York State Sales Tax \(TB-ST-360\)](#)

[Sales from Your Home \(TB-ST-807\)](#)

[Sales Tax Rates, Additional Sales Taxes, and Fees \(TB-ST-825\)](#)