

Sales/Use/Indirect:

New York: Advisory Opinion Addresses Taxation of Information Services and Related Offerings

TSB-A-24(6)S, N.Y. Dept. of Tax. & Fin. (7/15/24). A recently posted New York Department of Taxation and Finance advisory opinion involving a company selling products that provide mobile and web analytics of user online behavior concluded that sales receipts of such products are subject to New York State and local sales tax, because the company's services of gathering and storing its customers' data, and then using the data to prepare customized reports for its customers are considered taxable information services. In doing so, the opinion noted that even though the company embeds software into a customer's website to obtain and track data specific to each customer, the software is a single aspect of a more comprehensive information service, which "appears to be the primary function of the subscription service plans offered by the company." The opinion also noted that because customer data are the underlying source of information upon which its benchmark reports are generated, and such reports are furnished to the public, the company's information service does *not* qualify for exclusion as information that is personal or individual in nature. Lastly, the opinion concluded that because the company's message and notification services are only available to customers that purchase its taxable information services, "the message and notification feature represents a single component of the larger taxable information service" offered by the company and does *not* affect the taxability. Please contact us with any questions.

URL: https://www.tax.ny.gov/pubs_and_bulls/advisory_opinions/sales/24-6s.htm

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