

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

TSB-A-90(37)S  
Sales Tax  
July 24, 1990

STATE OF NEW YORK  
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO. S900417D

On April 17, 1990 a Petition for Advisory Opinion was received from Rochester Credit Center, Inc., 19 Picnic Street, Rochester, New York 14607.

The issue raised by Petitioner, Rochester Credit Center, Inc., is whether it should collect sales tax on the sale of credit reports on a per unit basis or on total taxable sales.

When Petitioner sells a credit report to a client, sales tax is imputed. During a one month billing period, Petitioner sells numerous credit reports to each client. All billing is completed by Petitioner's affiliate in Atlanta, Georgia and forwarded to Petitioner for disbursement to its clients. Petitioner's affiliate computes State sales tax on a per unit basis computing the specific percentages for localities and the State individually and then combines and rounds up the amount due.

Each time one of Petitioner's clients request a credit check on a potential customer, it enters into its computer the date, time, individual checked, amount charged, sales tax and the total amount. These detailed figures are stored in the computer until the end of the billing period. At that time, Petitioner prints out the entire list for its clients along with a billing page.

Section 1132(b) of the Tax Law provides the following:

"The tax commission shall by regulation provide a method or methods or a schedule or schedules of the amounts to be collected from customers in respect to any receipt ... upon which a tax is imposed by this article so as to eliminate any fractions of one cent and so that the aggregate collections of taxes by a person required to collect it shall, as far as practicable, equal four percent of total receipts ... where a similar tax is imposed under the authority of article twenty-nine of this chapter, equal four percent plus the rate of tax imposed under the authority of article twenty-nine of the total receipts ..." (Emphasis supplied)

Petitioner may not impute the tax on each individual credit check. Rather, at the end of the billing cycle, Petitioner must compute the sales tax once on the aggregate total of the charges for all the individual credit checks contained in the billing in accordance with section 1132(b) of the Tax Law.

DATED: July 24, 1990

s/PAUL B. COBURN  
Deputy Director  
Taxpayer Services Division

NOTE: The opinions expressed in Advisory Opinions are limited to the facts set forth therein.