

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

TSB-A-92(55) S
Sales Tax
June 19, 1992

STATE OF NEW YORK
COMMISSIONER OF TAXATION AND FINANCE

ADVISORY OPINION

PETITION NO.S920116C

On January 16, 1992, a Petition for Advisory Opinion was received from Alan/Anthony, Inc., 145 Avenue of the Americas, 2nd Floor, New York, New York 10013.

The issue raised by Petitioner, Alan/Anthony, Inc., is whether the providing of public relations services as described below are subject to sales and use tax.

Petitioner provides public relations services designed to promote its clients through the business or the general press. The specific services provided, as indicated in a sample of its typical public relations agreement, include:

1. Consultation with client personnel to develop press release and story concepts and approve plans and submissions to the press.
2. Writing of plans and recommendations.
3. Telephone and written contact with editors and producers to determine their interests, suggest stories, and offer client personnel as sources of quotes and comments.
4. Writing of press releases and articles for submission to the press.
5. Xerox reproduction and mailing of press releases to a list of editors and producers developed by Petitioner.

Section 1105(c) of the Tax Law imposes tax upon the receipts from every sale, except for resale, of certain enumerated services. The service of providing public relations is not one of the services enumerated under Section 1105(c) of the Tax Law and, therefore, such service is not subject to sales or use tax.

In Greenstone & Rabasca Advertising Inc., Adv Op St Tx Comm, September 9, 1986, TSB-A-86(35)S the State Tax Commission opined as follows:

- A. Consulting and public relations services; planning and preparing advertising budgets, news releases, and publicity campaigns.

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Petitioner is not required to collect tax on its charges to the client, provided no tangible personal property is transferred to the customer or its designees in connection with this service. All purchases by Petitioner, either for its own account or as agent for a principal, of material or taxable services to be used in performing these services are subject to sales tax.

Accordingly, pursuant to Section 1105(c) of the Tax Law and Greenstone & Rabasca Advertising Inc., *supra*, the public relations services provided by Petitioner as set forth above are not subject to sales and use taxes.

It is noted that if the public relation services furnished to its client cannot be purchased separately from the sale of other taxable services provided by Petitioner, the combination of the items listed must be considered as one, and the entire charge for all items would be subject to sales tax.

DATED: June 19, 1992

/s/
PAUL B. COBURN
Deputy Director
Taxpayer Services Division

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