

## Sales/Use/Indirect:

### New York: Prepared Reports are Used to Provide Nontaxable Services Rather than Taxable Information

*Determination No. 829198*, N.Y. Div. of Tax App., ALJ Division (12/2/21). An administrative law judge with the New York Division of Tax Appeals held in a taxpayer's favor that when viewing its environmental consulting firm service offering in its entirety, the primary function is to provide financial institutions with a qualified environmental professional's review and opinion regarding the potential environmental risks on a parcel of property rather than to provide its clients with taxable information services. In doing so, the judge reasoned that, under the facts, the taxpayer's prepared reports are used primarily for providing its nontaxable environmental analyses and opinions. The New York Division of Taxation unsuccessfully claimed that the main value of the reports is the collection and dissemination of the underlying supporting documentation obtained by the taxpayer, and that the taxpayer's primary function is that of a conduit or reseller of underlying supporting documentation and information that is i) derived from sources that are publicly available, ii) widely accessible, and iii) not confidential, and therefore not personal or individual in nature and thus subject to New York sales and use taxation. Please contact us with any questions.

**URL:** <https://www.dta.ny.gov/pdf/determinations/829198.det.pdf>

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