

# RULE REVIEW

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## Department of Taxation and Finance Regulations Continued Without Modification

Pursuant to section 207.4 of the State Administrative Procedure Act, the Department of Taxation and Finance hereby gives notice of the following:

As part of the Department's 2007 review of rules that were adopted during 1997 and 2002, it has reviewed amendments to 20 NYCRR 527.4(b), (c), and 527.5(b)(3) (Clothing Alterations) of the Sales and Use Taxes Regulations. This rule was amended in 2002 to provide that reasonable charges for alterations to all items of clothing are treated as tailoring, a service that is specifically excluded from tax. Prior to the rule, the exclusion from tax depended upon who altered the clothing (*e.g.*, an independent tailor or the clothing retailer) and whether the clothing itself was new, used, taxable, or exempt from tax. The rule also made technical corrections to the subject sections of the regulations. The statutory authority for the rule is contained in sections 171, subd. First; 1142(1) and (8); and 1250 (not subdivided) of the Tax Law.

This rule is being continued without modification because there have been no statutory amendments or changes in policy to warrant any modification of the rule.

A summary of the rule was published in the Rule Review section of the January 3, 2007, issue of the *State Register*. The 2007 Rule Review, including the summary, was also posted to the Department's website (<http://www.tax.state.ny.us/rulemaker/regulations/fiveyearrev.htm>) on January 2, 2007. The Department did not receive any public comments regarding this rule.

*For further information contact:* John W. Bartlett, Department of Taxation and Finance, Technical Services Division, Bldg. 9, W.A. Harriman Campus, Albany, NY 12227, (518) 457-2254

