

RULE REVIEW

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 2012 review of rules that were adopted during 1997, 2002, and 2007, 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. These provisions were 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 New York State and local sales and compensating use taxes. Prior to these amendments, 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 this rule is contained in sections 171, subd. First; 1142(1) and (8); and 1250 (not subdivided) of the Tax Law.

This rule was previously reviewed as part of the Department's 2007 Rule Review published in the State Register on January 3, 2007. As a result of that review, a Rule Review notice indicating that it would be continued without modification was published in the State Register on April 25, 2007.

The rule is once again 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 4, 2012, issue of the State Register. The 2012 Rule Review was also posted to the Department's Web site (<http://www.tax.ny.gov/rulemaker/fiveyearrev.htm>) on December 29, 2011. The Department did not receive any public comments regarding this rule.

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

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 2012 review of rules that were adopted during 1997, 2002, and 2007, it has reviewed amendments to 20 NYCRR 528.7 (currently entitled, "Farming and commercial horse boarding operations") of the Sales and Use Taxes Regulations. This provision was amended in 1997 to provide that personal protective equipment purchased by farmers for use directly and predominantly in farm production and construction materials that become integral component parts of the foundations of farm silos are exempt from tax. The rule included minor clarifying amendments to section 528.7. The

statutory authority for this rule is contained in sections 171, subd. First; 1115(a)(6); 1142(1); and 1250 (not subdivided) of the Tax Law.

The 1997 rule was previously reviewed as part of the Department's 2002 Rule Review published in the State Register on January 2, 2002. As a result of that review, the rule was substantially amended based on statutory changes enacted in 1999 and 2000 which significantly broadened the farm production exemptions and extended the exemptions to commercial horse boarding operations. See TAF 10 04 00025 A; filed April 29, 2004; published May 19, 2004; effective May 19, 2004. The minor clarifying amendments were continued without modification in a Rule Review notice published in the State Register on August 1, 2007. Because these are just minor clarifying changes, they are again being continued without modification. It has been determined, however, that because of the revisions made in 2004 that substantially superseded the 1997 rule, it is not necessary to continue to review the minor clarifying amendments made by the 1997 rule after this year. The 2004 rule will be reviewed as scheduled in 2014.

A summary of the 1997 rule was published in the Rule Review section of the January 4, 2012, issue of the State Register. The 2012 Rule Review was also posted to the Department's Web site (<http://www.tax.ny.gov/rulemaker/fiveyearrev.htm>) on December 29, 2011. The Department did not receive any public comments regarding this rule.

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