

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

TSB-A-84(23)S
Sales Tax
October 15, 1984

STATE OF NEW YORK
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO.S840625A

On June 25, 1984, a Petition for Advisory Opinion was received from H.L. Freid & Co., P.C., Lake Success Plaza, One Hollow Lane, Lake Success, New York 11042.

The issue raised is whether a trade-in allowance in a lease transaction is includible in the sales tax base. Petitioner describes a situation where a dealer leases a car for \$18,000, taking \$14,000 in cash plus a vehicle, valued by the parties at \$4,000, as a trade-in.

Article 28 of the Tax Law imposes a sales tax on the receipts from retail sales (including rentals) of tangible personal property. Tax Law, §1105(a). The term receipt is defined to mean:

The amount of the sale price of any property . . . taxable under this article, valued in money, whether received in money or otherwise, . . . but excluding any credit for tangible personal property accepted in part payment and intended for resale Tax Law, §1101(b)(3)

Accordingly, in the situation described by Petitioner, the tax due from the lessee would be that measured by a base of \$14,000, assuming that the vehicle traded in was taken solely for purposes of resale.

DATED: September 25, 1984

s/FRANK J. PUCCIA
Director
Technical Services Bureau

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