

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

TSB-A-86(44)S  
Sales Tax  
October 24, 1986

STATE OF NEW YORK  
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. S860916A

On September 16, 1986, a Petition for Advisory Opinion was received from Central New York Industrial Services, Inc., Box 218, Hannibal, New York 13074.

The issue raised is whether a mobile filter press designed to extract solids from liquid waste qualifies for the exemption from sales tax available under Tax Law 1115(a)(12).

Petitioner's mobile filter presses - composed of various pumps, compressors, and screens - are used for the sole purpose of refining liquid industrial waste. The processing is accomplished on the client's premises and the filtered water is then pumped back into the system for reuse. The residue, known as "filter cakes," is normally disposed of as it has no market value. Petitioner contends that the mobile filter presses are machinery or equipment used directly and predominantly in the manufacturing process and are therefore exempt from New York sales and use taxes.

Section 1115(a)(12) provides for an exemption from sales tax with respect to "machinery and equipment for use or consumption directly and predominantly in the production of tangible personal property. . . for sale, by manufacturing, processing. . . ."

However, neither the water processed by Petitioner nor the resultant "filter cakes" are sold by either Petitioner or the manufacturers for whom it performs services. Therefore, the mobile filter presses do not produce tangible personal property for sale.

Regulation Section 528.13(d), which allows an exemption for certain waste treatment equipment, provides in pertinent part:

Machinery and equipment used for disposing of industrial waste, as part of a process for preventing water or air pollution will be considered as being used directly and predominantly in production by manufacturing. . . if

(i) the machinery and equipment is purchased by a manufacturer and used predominantly to actually treat, bury, or store waste materials from a production process. . . .20 NYCRR 528.13.

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Because the machinery in question was purchased by Petitioner, who is not a manufacturer, it cannot qualify as exempt waste treatment equipment.

Accordingly, such machinery does not qualify for the exemption under section 1115(a)(12) of the Tax Law and is subject to applicable state and local sales and use tax.

DATED: October 24, 1986

s/FRANK J. PUCCIA  
Director  
Technical Services Bureau

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