

Taxable Status of Raised Flooring

This memorandum states Department policy regarding the taxability of sales and installations of raised flooring.

Raised flooring which consists of panels installed above an existing floor is often used in computer facilities, in order to provide access for electrical wiring and other services for computers. Installations of raised flooring are also made at other types of locations, such as bank or brokerage house "trading floor" facilities and "rear projection rooms". Raised flooring is typically installed directly over structural Concrete, and is supported by steel pedestals which are attached to the existing floor. The panels, as well as the pedestals to which they are attached, are designed to be removable.

Accordingly, raised flooring constitutes a type of tangible personal property and is not considered to be real property. Further, even though it may be annexed to real property, it ". . . is nevertheless considered tangible personal property at the time of sale." (N.Y. Sales and Use Tax Reg. §526.8(d)). Because raised flooring neither becomes a part of, nor is permanently affixed to real property, the exemption from sales tax which applies to items constituting capital improvements to real property is not available with respect to raised flooring. (See N.Y. Tax Law §§1105(c)(3) and (c)(3)(iii).) The sale and installation of raised flooring constitutes a sale and installation of tangible personal property (sections 1105(a) and (c) of the Tax Law) and is therefore subject to the New York State and local sales and use tax.