

NYSAC Coronavirus Economic Impact Report: Part V

APPENDIX B: Major Sales Tax Categories

Identifying the Source of Sales Tax in Counties

The federal government and New York State use broad industrial classifications to record and capture the sales activity of thousands of businesses across nearly every sector of the economy. The current classification system is known as the North American Industry Classification System (NAICS) and was built upon the prior system, the Standard Industrial Classification (SIC). There are occasional adjustments, clarifications, or even new industries introduced to the system that require certain transactions, or organizations, be moved to more appropriate categories – this can hamper comparisons across time. Regardless, the system provides a useful tool for counties and others to measure economic activity. In recent years the NYS Department of Taxation and Finance began posting taxable sales data by NAICS code online. The data can be sorted using a wide variety of data points and can be downloaded at:

https://www.tax.ny.gov/research/stats/stat_excise/taxable_sales_and_purchases/taxable_sales_and_purchases_open_data.htm

The taxable sales data posted by the tax department is also adjusted to recognize state and local sales tax exemptions. While the State mandates that many items be exempt from sales tax (85 categories impacting hundreds of items), they also allow counties and New York City to opt out of some of these exemptions – primarily clothing and footwear under \$110, residential energy, residential and commercial solar applications, motor fuel (percent of retail or fixed price per gallon), and commercial fuel cells.

NAICS – Major New York State Taxable Sales Category Descriptions

Administration of Economic Programs - This industry comprises government establishments primarily engaged in the administration, promotion, and development of economic resources, including business, industry, and tourism. Included in this industry are government establishments responsible for the development of general statistical data and analyses and promotion of the general economic well-being of the governed area. In New York this includes state and local DMV's that process private sales taxable transactions for autos and other motorized vehicles.

Automobile Dealers - This industry comprises establishments primarily engaged in retailing new automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans, or retailing these new vehicles in combination with activities, such as repair services, retailing used cars, and selling replacement parts and accessories.

Automotive Equipment Rental & Leasing - This industry group comprises establishments primarily engaged in renting or leasing passenger cars and trucks without drivers and utility trailers. These establishments generally operate from a retail-like facility. Some establishments offer only short-term rental, others only longer-term leases, and some provide both types of services.

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Automotive Parts, Accessories and Tire Stores - This industry group comprises establishments primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories, including tires and tubes. Included in this industry group are establishments primarily engaged in retailing automotive parts and accessories in combination with automotive repair services.

Automotive Repair and Maintenance - This industry group comprises establishments involved in providing repair and maintenance services for automotive vehicles, such as passenger cars, trucks, and vans, and all trailers. Establishments in this industry group employ mechanics with specialized technical skills to diagnose and repair the mechanical and electrical systems for automotive vehicles, repair automotive interiors, and paint or repair automotive exteriors.

Beer, Wine and Liquor Stores - This industry comprises establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.

Building Equipment Contractors - This industry group comprises establishments primarily engaged in installing or servicing equipment that forms part of a building mechanical system (e.g., electricity, water, heating, and cooling). The work performed may include new work, additions, alterations, maintenance, and repairs. Contractors installing specialized building equipment, such as elevators, escalators, service station equipment, and central vacuum cleaning systems, are also included.

Building Materials and Supplies Dealers - This industry group comprises establishments primarily engaged in retailing new building materials and supplies.

Clothing Stores - This industry group comprises establishments primarily engaged in retailing new clothing.

Computer and Computer Peripheral Equipment and Software Merchant Wholesalers - This industry comprises establishments primarily engaged in the merchant wholesale distribution of computers, computer peripheral equipment, loaded computer boards, and/or computer software.

Computer Systems Design and Related Services - This industry comprises establishments primarily engaged in providing expertise in the field of information technologies through one or more of the following activities: (1) writing, modifying, testing, and supporting software to meet the needs of a particular customer; (2) planning and designing computer systems that integrate computer hardware, software, and communication technologies; (3) on-site management and operation of clients' computer systems and/or data processing facilities; and (4) other professional and technical computer related advice and services.

Computer and Peripheral Equipment Manufacturing - This industry comprises establishments primarily engaged in manufacturing and/or assembling electronic computers, such as mainframes, personal computers, workstations, laptops, and computer servers; and computer peripheral equipment, such as storage devices, printers, monitors, and input/output devices and terminals. Computers can be analog, digital, or hybrid.

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Department Stores - This industry comprises establishments known as department stores that have separate departments for general lines of new merchandise, such as apparel, jewelry, home furnishings, and toys, with no one merchandise line predominating. Department stores may sell perishable groceries, such as fresh fruits, vegetables, and dairy products, but such sales are insignificant. Department stores may have separate customer checkout areas in each department, central customer checkout areas, or both.

Direct Selling Establishments - This industry group comprises establishments primarily engaged in non-store retailing (except electronic, mail-order, or vending machine sales). These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples of establishments in this industry are home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat provisioners; frozen food and freezer meal plan providers; coffee-break supplies providers; and bottled water or water softener services.

Electric Power Generation, Transmission and Distribution - This industry group comprises establishments primarily engaged in generating, transmitting, and/or distributing electric power. Establishments in this industry group may perform one or more of the following activities: (1) operate generation facilities that produce electric energy; (2) operate transmission systems that convey the electricity from the generation facility to the distribution system; and (3) operate distribution systems that convey electric power received from the generation facility or the transmission system to the final consumer.

Electronic Shopping and Mail-Order Houses - This industry comprises establishments primarily engaged in retailing all types of merchandise using non-store means, such as catalogs, toll free telephone numbers, or electronic media, such as interactive television or the Internet. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses.

Electronics and Appliance Stores - This industry comprises establishments primarily engaged in one of the following: (1) retailing an array of new household-type appliances and consumer-type electronic products, such as televisions, computers, and cameras; (2) specializing in retailing a single line of new consumer-type electronic products; (3) retailing these new products in combination with repair and support services; (4) retailing new prepackaged computer software; and/or (5) retailing prerecorded audio and video media, such as CDs, DVDs, and tapes.

Furniture Stores - This industry comprises establishments primarily engaged in retailing new furniture, such as household furniture (e.g., baby furniture, box springs, and mattresses) and outdoor furniture; office furniture (*except sold in combination with office supplies and equipment*); and/or

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furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings.

Gasoline Stations - Industries in the Gasoline Stations subsector retail automotive fuels (e.g., gasoline, diesel fuel, gasohol, alternative fuels) and automotive oils or retail these products in combination with convenience store items. These establishments have specialized equipment for storing and dispensing automotive fuels.

General Merchandise Stores, including Warehouse Clubs and Supercenters - This industry comprises establishments primarily engaged in retailing new goods in general merchandise stores (*except department stores*). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, groceries, housewares, and home furnishings, with no one merchandise line predominating. Establishments known as warehouse clubs, superstores, or supercenters are included in this industry.

Grocery Stores - This industry group comprises establishments primarily engaged in retailing a general line of food products.

Health and Personal Care Stores - Industries in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.

Home Furnishing Stores - This industry group comprises establishments primarily engaged in retailing new home furnishings (*except furniture*).

Miscellaneous Store Retailers – this subsector retails merchandise from fixed point-of-sale locations (*except new or used motor vehicles and parts; new furniture and home furnishings; new appliances and electronic products; new building materials and garden equipment and supplies; food and beverages; health and personal care goods; gasoline; new clothing and accessories; and new sporting goods, hobby goods, books, and music*). Establishments in this subsector include stores with unique characteristics, such as florists, used merchandise stores, and pet and pet supply stores.

Natural Gas Distribution - This industry comprises: (1) establishments primarily engaged in operating gas distribution systems (e.g., mains, meters); (2) establishments known as gas marketers that buy gas from the well and sell it to a distribution system; (3) establishments known as gas brokers or agents that arrange the sale of gas over gas distribution systems operated by others; and (4) establishments primarily engaged in transmitting and distributing gas to final consumers.

Other Information Services - Industries in the Other Information Services subsector group establishments supplying information, storing and providing access to information, searching and

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retrieving information, operating Web sites that use search engines to allow for searching information on the Internet, or publishing and/or broadcasting content exclusively on the Internet. The main components of the subsector are news syndicates, libraries, archives, exclusive Internet publishing and/or broadcasting, and Web search portals.

Other Motor Vehicle Dealers - This industry group comprises establishments primarily engaged in retailing new and used vehicles (*except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans*).

Other Professional, Scientific, and Technical Services - This industry group comprises establishments engaged in professional, scientific, and technical services (*except legal services; accounting, tax preparation, bookkeeping, and related services; architectural, engineering, and related services; specialized design services; computer systems design and related services; management, scientific, and technical consulting services; scientific research and development services; and advertising, public relations, and related services*).

Petroleum and Petroleum Products Merchant Wholesalers - This industry group comprises establishments primarily engaged in the merchant wholesale distribution of petroleum and petroleum products, including liquefied petroleum gas.

Restaurants & Other Eating Places – This industry comprises establishments primarily engaged in one of the following: (1) providing food services to patrons who order and are served while seated (i.e., waiter/waitress service) and pay after eating; (2) providing food services to patrons who generally order or select items (e.g., at a counter, in a buffet line) and pay before eating; or (3) preparing and/or serving a specialty snack (e.g., ice cream, frozen yogurt, cookies) and/or nonalcoholic beverages (e.g., coffee, juices, sodas) for consumption on or near the premises.

Services to Buildings and Dwellings - This industry group comprises establishments primarily engaged in one of the following: (1) exterminating and pest control services; (2) janitorial services; (3) landscaping services; (4) carpet and upholstery cleaning services; or (5) other services to buildings and dwellings.

Sporting Goods, Hobby, and Musical Instrument Stores - This industry group comprises establishments primarily engaged in retailing new sporting goods, games and toys, and musical instruments.

Wired and Wireless Telecommunications Carriers - This industry comprises establishments primarily engaged in operating, maintaining, and/or providing access to switching and transmission facilities and infrastructure that they own and/or lease for the transmission of voice, data, text, sound, and video using wired and wireless telecommunications networks. Transmission facilities may be based on a single technology or a combination of technologies. By exception, establishments providing satellite television distribution services using facilities and infrastructure that they operate are included in this industry.

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