

+ Share on



+ Contact Us



When you have a sales tax problem, *we are the solution!*

631-491-1500 info@SalesTaxDefense.com



[ABOUT US](#) [WHAT IS SALES TAX](#) [HOW WE WORK](#) [SEMINARS](#) [NEWS](#) [CASE STUDIES](#) [MEDIA COVERAGE](#)

April 2014

Newsflash: Exemption on Vending Machine Candy Increased - Easter Bunny Happy

Extra, Extra, read all about it! New York State Governor Andrew Cuomo signed into law a budget bill that includes an increase on the sales tax exemption on vending machine purchases. The exemption threshold increases from \$0.75 to \$1.50. Previously, when a company sold candy, gum, or soda through a vending machine for \$0.75 or less, the company did not have to include a charge for sales tax. If the item was sold for more than \$0.75, sales tax must be included.



For example, when you put in a dollar to buy that scrumptious chocolate bar, you really paid \$0.92 for the chocolate and \$0.08 of sales tax.

The new law pushed the threshold up to \$1.50. Anything sold through a vending machine for \$1.50 or less does not have to include a charge for sales tax.

When asked how he feels about the new law, the Easter Bunny replied, "I am very happy about the new law. It saves me a few dollars when filling all of those Easter baskets."

Apparently with those few extra dollars in his pocket, the Easter Bunny has taken on a new hobby of bowling. The Easter Bunny said that at least with bowling (which is considered a participatory sport in New York State), he does not have to worry about paying sales tax.

While Santa Clause has been quoted in saying he is glad the new law helps out his friend, he "wishes the \$1.50 threshold applies to all candy, not just vending machine candy. It would really help when I'm buying all of those candy canes."



Follow us



Success Story Settlement with Office of Counsel

At times, the question on a sales and use tax audit is not how much revenue a Company received, but whether its revenue is subject to sales tax. The New York State Tax Department took the position that a Company should have charged sales tax on a portion of its IT consulting services. The Company strongly believed it was not subject to sales tax. The Tax Department assessed the Company approximately \$230,000 plus more than \$100,000 of interest.

When the Company's prior representative was not able to obtain a reduction on audit or the initial hearing process, the Company came to Sales Tax Defense. We recommended that we attempt to settle with the New York State Office of Counsel but if a settlement could not be reached, that the Company should go to trial against the Tax Department. For six months, conversations went back and forth but Office of Counsel refused to settle for a reasonable number. Sales Tax Defense prepped witnesses for trial. Two days before trial, New York State agreed to our settlement proposal.

A \$230,000 tax assessment was reduced to \$13,000, a savings of \$217,000 tax (and a savings of \$95,000 of interest)!

About Us

We are a dedicated team of tax professionals who have committed our careers to helping businesses and fellow professionals with tax problems. Since the only work we are focused on is solving tax problems, businesses never have to be concerned that we will try to sell them other services they do not need. And professionals never have to be concerned with us encroaching on their client relationships, because we view you, our fellow professional, as our client.

Sales Tax Defense LLC | Phone: 631-491-1500 | [Email Us](#)

[Visit our Website](#) | 2106 Deer Park Avenue, Deer Park, NY 11729

This newsletter is not intended to be used as tax, legal or accounting advice

Share on:



[Subscribe](#) | [Unsubscribe](#)