

TAKE JUDICIAL NOTICE

New York State Sales & Use Tax

September 17, 2010

The real estate industry has now lived for two weeks with the State's newly adopted position on the imposition of sales tax on information services. We are happy to report that all closings have proceeded without incident.

It is important for all real estate lawyers to understand the nature of the tax. As its title indicates it is both a "sales" and "use" tax. When you pay sales tax to a title company at a closing, you and your client are becoming involved in what amounts to a two sided coin. If the title company to whom you pay the tax is not registered with the State as an authorized tax collecting entity, and does not pay the sales tax to the State, you or your client may be assessed a use tax.

To protect against this possible scenario, you should insist on receiving a copy of the title company's sales tax certificate and keep it in your file. A copy of Judicial's certificate is accessible via the link below both for your records and so that you know what form you should receive.

[Judicial Title Sales Tax Certificate](#)