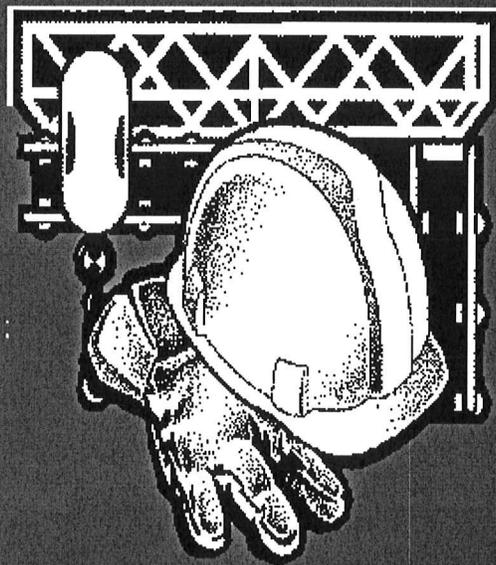


New York State  
Department of  
Taxation and Finance

Publication 862  
(4/01)

SALES AND  
USE TAX  
CLASSIFICATIONS  
OF  
CAPITAL  
IMPROVEMENTS  
AND  
REPAIRS TO  
REAL PROPERTY



## About This Publication

Publication 862 provides contractors and their customers (property owners) sales and compensating use tax guidance for distinguishing between a capital improvement to real property and repairs, maintenance, or installation services to real property. For this purpose, we include a list of various activities with respect to real property and identify them as either a capital improvement or a repair, maintenance, or installation service.

> If a contractor does a capital improvement for a customer and the customer provides the contractor with a properly completed Form ST-124, *Certificate of Capital Improvement*, no sales tax is required to be collected from the customer. On the other hand, when a contractor performs a job that constitutes a repair, maintenance, or installation service to real property, sales tax must be collected from the customer, unless the contractor receives a properly completed Form ST-119.1, *Exempt Organization Certification*, or other applicable exemption document.

In determining whether a job is a capital improvement, please keep in mind that the installation of certain items listed as capital improvements on the following pages may not qualify as a capital improvement if the items are installed by a commercial tenant as a trade fixture.

As a general rule, a contractor must pay sales tax to its supplier when it purchases tangible personal property. It does not matter whether the tangible personal property will be used in performing a capital improvement or a repair, maintenance, or installation service.

If you have questions about the material presented in this publication, please refer to the back cover of this publication for the appropriate address or telephone number to contact for more information.

## Table of Contents

page

### Part I-General Information

|   |     |
|---|-----|
| Tax on building materials .....           | -6- |
| Frequently used exemption documents ..... | -6- |
| 90 day rule for exemption documents ..... | -7- |
| Services to real property .....           | -7- |
| Real property .....                       | -7- |
| Tangible personal property .....          | -7- |
| Capital improvement .....                 | -7- |
| Leasehold improvements .....              | -8- |
| Repair and maintenance .....              | -9- |
| Installation .....                        | -9- |

### Part II- Listing of Capital Improvements and Repair, Maintenance, and Installation Services

|  |      |
|--|------|
| Air cleaners .....                       | -10- |
| Air conditioners .....                   | -10- |
| Bathrooms .....                          | -10- |
| Brickwork .....                          | -11- |
| Central air conditioning .....           | -11- |
| Chimneys .....                           | -11- |
| Decks .....                              | -11- |
| Doors .....                              | -12- |
| Driveways, parking lots, and walks ..... | -12- |
| Electrical .....                         | -13- |
| Exterior .....                           | -13- |
| Fire, water, wind damage .....           | -14- |
| Fireplaces .....                         | -14- |
| Floor coverings .....                    | -15- |
| Floors and floorings .....               | -15- |
| Garage doors .....                       | -15- |
| Heating                                  |      |
| electric .....                           | -16- |
| electric boiler .....                    | -16- |
| electric furnace .....                   | -16- |
| gas .....                                | -16- |
| heat pump .....                          | -17- |
| hot water .....                          | -17- |
| oil .....                                | -17- |
| radiant .....                            | -18- |
| solar .....                              | -18- |
| steam .....                              | -18- |

|   |            |
|---|------------|
| Heating (cont.)                               |            |
| warm air duct system . . . . .                | -18-       |
| wood burning furnace, boiler, stove . . . . . | -19-       |
| Hot water heaters . . . . .                   | -19-       |
| Humidifiers . . . . .                         | -19-       |
| Kitchens . . . . .                            | -19-       |
| Landscaping and yard care . . . . .           | -20-       |
| Masonry . . . . .                             | -21-       |
| Miscellaneous . . . . .                       | -21-       |
| Painting . . . . .                            | -21-       |
| Patios . . . . .                              | -22-       |
| Plumbing                                      |            |
| piping . . . . .                              | -22-       |
| sinks . . . . .                               | -22-       |
| toilets . . . . .                             | -22-       |
| tubs and showers . . . . .                    | -23-       |
| Roofs and roofing materials . . . . .         | -23-       |
| Septic systems . . . . .                      | -23-       |
| Stairs . . . . .                              | -24-       |
| Sump pumps . . . . .                          | -24-       |
| Swimming pools . . . . .                      | -24-       |
| Ventilation . . . . .                         | -24-       |
| Walls . . . . .                               | -25-       |
| Windows . . . . .                             | -25-       |
| Yard care . . . . .                           | -26-       |
| Need help? . . . . .                          | back cover |

## Part I - General Information

### Tax on building materials

As a general rule, if you are a contractor or a property owner, you must pay sales tax on your purchases of building materials, unless some exemption applies, in which case you must provide an exemption certificate or other document to the supplier which indicates that no tax is imposed or required to be collected when the building materials are purchased.

### Frequently used exemption documents

Instead of receiving a tax payment, suppliers may accept certain exemption documents. Examples of frequently used exemption documents and from whom they may be accepted are:

#### From contractors

- Form ST-120.1, *Contractor Exempt Purchase Certificate*
- Form AU-297, *Direct Payment Permit*

#### From exempt organizations

- Form ST-119.1, *Exempt Organization Certification*

#### From farmers and commercial horse boarding operations

- Form ST-125, *Farmers and Commercial Horse Boarding Operations Exemption Certificate (For information on the newly expanded exemptions applicable to farmers and commercial horse boarding operations enacted by Chapter 407 of the Laws of 1999, please see TSB-M-00(8)S.)*

#### From a Qualified Empire Zone Enterprise (QEZE)

- Form ST-121.6, *Qualified Empire Zone Enterprise (QEZE) Exempt Purchase Certificate (For information on sales and use tax exemptions afforded to a QEZE enacted by Chapter 63 of the Laws of 2000, please see TSB-M-01(1)S.)*

#### From retailers

- Form ST-120, *Resale Certificate*

#### From New York State and its political subdivisions and the United States and its agencies

- Government Purchase Orders

**90 day rule for exemption documents**

If you are a contractor or supplier who makes a sale of services or building materials that is exempt from tax, you must have a properly completed exemption document in your possession **no later than 90 days after the service is rendered** or you will be required to collect tax and the purchaser will need to file a claim for refund of the tax with the Tax Department.

**Services to real property**

Services to real property are classified as either a capital improvement or a repair, maintenance or installation service. Installation services include the installation of tangible personal property which remains tangible personal property after its installation.

**Real property**

The term *real property* means real property, property or land as defined in the Real Property Tax Law and includes but is not limited to:

- land and vegetation growing on the land such as trees, shrubs, bushes, and grass;
- buildings and structures erected upon, under, or above land, or affixed to the land;
- utility lines, wires, and poles;
- mains, pipes and tanks for conducting steam, heat, water, oil, gas, and electricity; and
- boilers, heating, ventilating, lighting apparatus, and plumbing.

**Tangible personal property**

The term *tangible personal property* means corporeal personal property of any nature having a material existence and perceptibility to the human senses including but not limited to materials, tools, equipment and supplies.

 **Capital improvement**

A *capital improvement* is an addition or alteration to real property that:

- substantially adds to the value of the real property, or appreciably prolongs the useful life of the real property;
- becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; **and**
- is intended to become a permanent installation.

However, the addition of a mobile home to real property is never a capital improvement, regardless of how it is installed.

For special rules regarding when the installation of a floor covering constitutes a capital improvement, see page 15.

In the case of a capital improvement, if you are a **property owner who**:

- purchases materials and supplies only and you perform your own labor, you **pay tax to the supplier on the materials and supplies.**
- purchases materials and supplies and hires a contractor to perform the labor, you **pay tax to the supplier on the materials and supplies, but you do not pay tax to the contractor for the labor.**
- purchases materials and supplies and labor from the contractor, you **pay no tax.**

In the case of a capital improvement, if you are a **contractor who purchases** materials and supplies, you pay tax to the supplier **and you do not collect any sales tax from your customer.**

### **Leasehold improvements**

As a general rule, additions or alterations to real property for or by a tenant with respect to leased premises are presumed to be temporary in nature. Consequently, they do not qualify as capital improvements. However, these additions or alterations may qualify as capital improvements if there is a demonstrated intention to make them permanent (*assuming the other qualifications are met*). For example, an intention of permanence would be demonstrated by a provision in the building lease indicating that immediately upon installation title to the installation vests with the lessor and the installed property is to remain with the premises after the termination of the lease.

If a lease does not contain these provisions, other factors such as the nature of the installation, or written agreements other than a lease provision may be considered in determining the intention of the parties with respect to the permanence of the installation. Please see TSB-M-83(17)S for further information on leasehold improvements.

## Repair and maintenance

*Repair and maintenance* relates to keeping real property in a condition of fitness, efficiency, readiness and/or safety or to restoring it to such condition.

In the case of a job that constitutes repair or maintenance, if you are a **property owner who:**

- purchases materials and supplies only and performs your own labor, **you pay tax to the supplier on the materials and supplies.**
- purchases materials and supplies and hires a contractor to perform the labor, **you pay tax to the supplier on the materials and supplies and to the contractor for the labor.**
- purchases materials and supplies and labor from a contractor, **you pay tax to the contractor on the total charge.**

In the case of a job that constitutes repair or maintenance, if you are a **contractor who:**

- purchases materials, **you pay tax to the supplier**, even though you are also required to collect tax from your customer. However, you are entitled to a refund or credit of the tax that you paid on the materials that you transferred to the customer.
- purchases supplies, **you pay tax to the supplier.**

## Installation

*Installation services* are services related to setting up tangible personal property or putting it in place for use.

If you are a contractor who installs items such as washing machines, clothes dryers, dishwashers, refrigerators, furniture, etc., which when installed or placed in real property do not become part of the real property, you must collect tax on your charge for the installation. The individual charge for any of these items is also taxable as the sale of tangible personal property.

## Part II - Listing of Capital Improvements and Repair, Maintenance, and Installation Services

|   | Capital improvement*   | Repair, maintenance, or installation   |
|---|--|--|
| <b>Air cleaners</b>   | Installation of central air cleaner systems<br><br>Original installation of ductwork or required additional ductwork<br><br>Replacement of complete central air cleaner units  | Repair or replacement of the following in self-contained or central units: <ul style="list-style-type: none"><li>• collector plates</li><li>• electronic plates</li><li>• filters</li><li>• power boxes</li><li>• return air ducts</li><li>• sails</li></ul> Installation or replacement of self-contained air cleaners  |
| <b>Air conditioners</b> (other than central air conditioning systems)<br><i>(see also - Central air conditioning)</i> | Original installation or complete replacement of through-the-wall mounted units  | Repair or replacement of the following in in-window or through-the-wall mounted units: <ul style="list-style-type: none"><li>• air flow controls</li><li>• blowers</li><li>• casings</li><li>• compressors</li><li>• copper tubing</li><li>• fans</li><li>• fan motors</li><li>• filters</li><li>• grilles</li><li>• motors</li></ul> Installation or replacement of window air conditioners |
| <b>Bathrooms</b><br><i>(see also - Electrical, Plumbing, and Walls)</i>   | Complete remodeling of bathrooms (toilet, tub, and vanity)<br><br>Complete installation or replacement (including any necessary fixtures) of: <ul style="list-style-type: none"><li>• cabinets</li><li>• exhaust fans</li><li>• floor tiles (if ceramic or quarry type)</li><li>• sinks</li><li>• tile (floor or wall)</li><li>• toilets</li><li>• tubs</li><li>• tub or shower enclosures</li><li>• vanities</li><li>• wall tiles</li></ul> | Installation of free-standing cabinets<br><br>Repair of: <ul style="list-style-type: none"><li>• cabinets</li><li>• exhaust fans</li><li>• faucets</li><li>• mirrors</li><li>• shower heads</li><li>• sinks</li><li>• tile</li><li>• toilets</li><li>• tubs</li><li>• tub or shower enclosures</li><li>• vanities</li></ul> Replacement of faucets and shower heads                          |

**Capital improvement\***

**Repair, maintenance, or installation**

**Brickwork**

*(see also -Chimneys, Masonry)*

Construction of new or complete replacement of brick:

- chimneys
- exterior surfaces
- fireplaces
- stairs or steps
- structures
- walls

Fixing cracks

Replacing damaged bricks

Repointing

Sandblasting

**Central air conditioning**

*(see also - Air conditioners)*

Installation of central air conditioning systems

Original installation of ductwork or required additional ductwork

Replacement of complete central air conditioning units

Maintenance contracts

Repair or replacement of:

- blowers
- coils
- compressors
- condenser coils
- control devices
- ductwork sections
- excess moisture drains
- fans
- filters
- refrigerant
- refrigerant tubes

**Chimneys**

*(see also - Brickwork, Fireplaces, Masonry)*

Addition or complete replacement of flue or liner (metal or foam)

Complete replacement of chimneys

Installation of new chimneys

Chimney cleaning

Fixing cracks

Installation of spark arrestors

Repair of flues

Repointing

Sealing of flashings

Repair or replacement of:

- caps
- damaged bricks
- flashings
- loose mortar
- pots
- rain and draft deflectors

**Decks**

*(see also - Patios)*

Additions to decks

Installation or complete replacement of:

- entire decks
- floor of deck
- footings
- stairs
- railings

Water sealing, staining or painting of **new** decks

Cleaning of decks

Repair or partial replacement of :

- decks
- floor of deck
- footings
- stairs
- railings

Water sealing, staining or painting of existing decks

### Capital improvement\*

### Repair, maintenance, or installation

#### Doors

- Closing off a doorway
- Cutting of doorways
- Installation or replacement of doors, or doors and frames, or storm doors with related hardware
- Painting, varnishing or staining a new door

- Addition of paneling to a door
- Caulking (interior/exterior)
- Elimination of binding or looseness
- Installation of the following items in an existing door:
  - closers
  - decorative moldings
  - kickplates
  - mailslots
  - peepholes
  - thresholds
  - weather stripping
- Repair of existing doors
- Painting, varnishing, or staining existing doors
- Repair or replacement of:
  - casing
  - closers
  - door frames
  - door knobs
  - glass panes
  - handles
  - head jambs
  - hinges
  - jambs
  - locks or latches
  - locksets
  - panels
  - saddles
  - screens
  - stiles
  - stops
  - thresholds
  - top rails
  - trim
  - weather stripping

---

#### Driveways, parking lots, and walks

*(see also - Exterior, Landscaping and yard care)*

- Installation or complete repaving (resurfacing) of driveways, parking lots, and walks
  - Original landscaping of parking lot islands
  - Original installation of gravel or crushed stone driveway
  - Original striping (line painting) on new parking lot
- Replacement of:
    - cobblestones
    - crushed stone
    - crushed stone with oil
  - Repairing and patching of holes and cracks
  - Replacing sections of concrete or blacktop driveways, parking lots, and walks
  - Restriping, sealing, and dressing
  - Resurfacing of gravel or crushed stone driveways with new gravel or crushed stone
  - Maintaining or repairing of parking lot islands, including ongoing landscaping

## Capital improvement\*

## Repair, maintenance, or installation

### Electrical

Complete wiring or rewiring of structures or the upgrading of a service

Additions to wiring systems; for example, new circuits

In-wall installations of electrical wiring and communications cables in connection with the installation of burglar alarms or security systems

Original in-wall installations of telephone wiring, speaker wire, computer cable or coaxial cable, with the exception of the installation of telephone wiring installed by the telephone service provider, in connection with the telephone service that it is selling or cable television cable installed by the cable television service provider in connection with its service.

Original installation of:

- circuit breakers
- outlets
- receptacles
- switches

Original installation or complete replacement of:

- add-on panels
- breaker panels
- ceiling fixtures
- door bells
- door buzzers
- door chimes
- floor outlets
- fluorescent fixtures
- main power boxes
- metal raceways
- multi-outlet strips
- outdoor lamp posts
- wall boxes
- wall fixtures
- wiring

Installation of a dimmer switch to replace an existing switch

Repair of:

- floor outlets
- fluorescent fixtures
- lighting fixtures
- main power boxes
- metal raceways
- multi-outlet strips
- outdoor lamppost
- wall boxes
- wall fixtures
- wiring

Replacement of:

- circuit breakers
- fluorescent fixture parts: (ballasts, starters, tubes)
- fuses
- light bulbs
- outlets
- receptacles
- switches

### Exterior

*(See also - Driveways, parking lots and walks, Landscaping and yard care)*

Additions to existing structures

Application of siding to structures

Complete replacement of porches

Construction of:

- decks
- dormers
- footings
- foundations
- garages
- new homes
- new porches
- pole barns

Deepening existing water wells

Drilling or boring new water wells

Excavation work if for a capital improvement

Installation of:

- canvas awnings
- patching cracks

Painting of existing:

- awnings
- brickwork
- concrete

Repair of louvers and shutters

Repair or maintenance of:

- awnings (including canvas)
- exterior surfaces
- patios
- roof decks
- water well pumps

**Capital improvement\***

**Repair, maintenance, or installation**

**Exterior (cont.)**

- Insulating structures
- Installation of new or complete replacement of existing:
  - awnings (other than canvas)
  - gutter and downspout systems
  - fences
  - louvers
  - shutters
  - water well pumps
- Installation or complete replacement of permanent (non-floating) docks
- Complete re-siding of structures
- Painting of new structures

- Repair, replacement, or maintenance of:
  - canvas awnings
  - fence pickets, posts, rails or sections
  - flashings
  - gates
  - shingles (partial)
  - siding (partial)
- Excavation work - if for repair and maintenance
- Snow removal
- Installation or replacement of floating docks
- Repair or maintenance of any dock

**Fire, water, wind damage**

- Rehabilitation of damaged structures (See appropriate sections for work performed.)
- Demolition of a building or structure

- Cleaning
- Deodorizing
- Refinishing floors
- Removal of water or debris
- Repainting
- Replacement of broken glass

**Fireplaces**

*(see also - Chimneys, Heating - wood burning furnace, boiler, stove)*

- Installation or complete replacement of fireplaces (other than freestanding units or inserts)

- Cleaning
- Fixing cracks
- Repointing
- Repair or replacement of:
  - ash pits
  - cold air inlets
  - damaged bricks
  - dampers
  - damper controls
  - fireboxes
  - firebricks
  - firechambers
  - headers
  - hearths
  - lintels
  - mantels
  - smoke chambers
  - smoke shelves
  - warm air outlets
- Installation, maintenance or repair of freestanding fireplace unit or insert

**Capital improvement\***

**Repair, maintenance, or installation**

**Floor coverings**

*(See also-Floors and floorings, Bathrooms, Fire, water and wind damage)*

Installation of carpet, carpet tile, carpet padding, linoleum and vinyl roll floor covering, linoleum tile, vinyl tile, and other similar floor covering, **as the initial finished floor covering:**

- in the new construction of a building or structure; or
- in a new addition to an existing building or structure; or
- in the total reconstruction of an existing building or structure.

(The installation of floor covering under any other circumstance is not a capital improvement.)

Installation of carpet, carpet tile, carpet padding, linoleum and vinyl roll floor covering, linoleum, vinyl tile, and other similar floor coverings in an existing building, or in a building **more than 6 months** after the building has otherwise been completed.

Repair maintenance or replacement of any of the above floor coverings.

**Floors and floorings**

Installation or complete replacement of floorings such as wood floor, floating wood laminate floors, ceramic tile floor, terrazzo, marble, concrete and other similar floors

Cleaning, sanding, waterproofing, painting, staining, varnishing and waxing **new** floors

Raised flooring [see TSB-M-98(2)S for more information]

Repair, maintenance or partial replacement of floorings such as wood floor, ceramic tile floor, terrazzo, marble, concrete and other similar floors

Cleaning, stripping, sanding, waterproofing, painting, staining, varnishing and waxing existing floors

**Garage doors**

Installation or replacement of complete garage doors

Installation or complete replacement of electric garage door openers and controls

Painting, varnishing or staining of **new** garage doors

Adjustment of spring tension

Lubrication of parts

Repair or maintenance of electric garage door openers and controls

Painting, varnishing or staining of existing garage doors

Weatherstripping

Repair or replacement of:

- cables
- casings
- door frames
- door sections
- glass panes
- hinges
- jambs
- locks
- panels
- rollers
- saddles
- springs
- stiles
- stops
- tracks
- trim

**Capital improvement\***

**Repair, maintenance, or installation**

**Heating - electric**

Addition to permanently installed electric heating systems

Installation or replacement of permanently installed electric heating units or systems

Cleaning

Maintenance contracts

Repair of baseboard heaters and wall heaters

Repair or replacement of heating elements and thermostats

**Heating - electric boiler**

Installation or complete replacement of electric boilers

Cleaning of electric boiler

Maintenance contracts

Repair or replacement of:

- automatic airvents
- circulators
- controls
- drain valves
- expansion tanks
- heating elements
- pressure controls
- relief valves
- return lines
- supply lines
- thermostats

**Heating - electric furnace**

Installation or complete replacement of electric furnaces

Cleaning of electric furnaces

Maintenance contracts

Repair or replacement of:

- blowers
- condensers
- elements
- filters
- fuses
- low-voltage terminals
- relays
- sequencers
- thermostats
- transformers

**Heating - gas**

Installation or complete replacement of gas furnaces

Cleaning of gas furnaces

Maintenance contracts

Repair or replacement of:

- burner heads
- draft hoods
- filters
- main gas valves
- main shutoff valves
- pilot gas lines
- pressure regulators
- safety control valves
- safety thermostat elements
- vent pipes

**Capital improvement\***

**Repair, maintenance, or installation**

**Heating - heat pump**

Installation or complete replacement of heat pump units

Cleaning of heat pump units

Maintenance contracts

Repair or replacement of:

- blowers
- coils
- compressors
- valves

**Heating - hot water**

Additions to hot water systems

Bleeding of radiators

Installation or complete replacement of hot water boilers or systems

Cleaning

Original insulation of new or replacement piping systems

Flushing of boilers

Maintenance contracts

Repair or replacement of:

- air vent valves
- boiler tubes
- circulating pumps
- coils
- drain cocks
- expansion tanks
- furnace controls
- main shutoff valves
- piping sections
- pressure reducing valves
- pressure-relief valves
- radiators
- return mains
- risers
- supply mains
- thermostats
- thermocouples
- water supply lines

**Heating - oil**

Installation or complete replacement of oil burner guns

Cleaning of oil furnaces or boilers

Installation or complete replacement of oil furnaces or boilers

Maintenance contracts

Original installation or replacement of oil tanks

Repair of oil burner guns

Repair or replacement of:

- air tubes
- blowers
- fuel lines
- motors
- oil - level control valves
- refractory firepots
- stack-control relays
- storage tanks
- strainer pumps
- transformers

**Capital improvement\***

**Repair, maintenance, or installation**

**Heating - radiant**

Additions to radiant systems  
 Complete replacement of radiant systems  
 Installation of radiant systems

Cleaning of radiant systems  
 Maintenance contracts  
 Repair or replacement of:  
 • balancing valves • furnace controls  
 • circulating pumps • returns  
 • coils • shutoff valves  
 • common returns • tanks (to trap air)  
 • drain cocks • thermostats  
 • feed lines • vents

**Heating - solar**

Additions to permanent solar systems  
 Installation or replacement of permanent solar systems

Cleaning of solar heating systems  
 Maintenance contracts  
 Repair or maintenance of solar heating systems

**Heating - steam**

Additions to steam systems  
 Installation or replacement of steam boilers or systems  
 Insulation of piping systems

Cleaning of steam systems  
 Maintenance contracts  
 Repair or replacement of:  
 • air vents • shutoff valves  
 • drain cocks • steam gauges  
 • drain plugs • steam mains  
 • piping (sections) • thermostats  
 • radiators • water gauges  
 • reducers • water supply lines  
 • safety valves • wet returns

**Heating - warm air duct system**

Additions to warm air duct systems  
 Installation or replacement of warm air duct systems  
 Original insulation of new or replacement duct systems

Cleaning of warm air duct systems  
 Repair or replacement of:  
 • angle boots • plenums  
 • balance dampers • plenum takeoffs  
 • cold air returns • side stack takeoffs  
 • duct sections • starting collars  
 • elbows • supply stackheads  
 • endcaps • top stack takeoffs  
 • floor diffusers

## Capital improvement\*

## Repair, maintenance, or installation

### Heating - wood burning furnace, boiler, stove *(see also - Fireplaces)*

Installation or replacement of wood burning furnaces or boilers

Original installation of wood burning stoves (Including strengthening floors and fireproofing walls and floors)

Cleaning of wood burning furnaces, boilers and stoves

Maintenance contracts

Replacement of wood burning stoves

Repair and maintenance of wood burning furnaces, boilers or stoves

### Hot water heaters

Installation or replacement of hot water heaters

Cleaning of hot water heaters

Maintenance contracts

Repair or replacement of:

- anode rods
- burners
- casing covers
- connectors
- drain pipes
- drain valves
- draft diverters
- flue baffles, bodies or collars
- glass inner tanks
- heating elements
- inlet-outlet pipes
- outlet pipes
- tank linings
- temperature control knobs
- temperature-pressure relief valves
- thermocouples
- thermostats

### Humidifiers

Installation or complete replacement of permanently installed humidifiers

Cleaning of humidifiers

Maintenance contracts

Repair or replacement of:

- evaporator pads
- fans
- motors
- trays

### Kitchens

*(see also - Electrical, Plumbing, and Walls)*

Installation or complete replacement of:

- built-in dishwashers
- freezers
- ranges
- refrigerators
- ovens
- countertops
- ducted hoods
- exhaust fans
- garbage disposals
- kitchen cabinets
- sinks
- water softeners

Painting, varnishing or staining of new kitchen cabinets

Complete reconditioning of kitchen cabinets

Installation of ductless hoods

Installation of free-standing appliances

Painting, varnishing or staining of existing kitchen cabinets

Repair or maintenance of:

- cabinets
- countertops
- dishwashers
- ducted or ductless hoods
- exhaust fans
- faucets
- freezers
- garbage disposals
- ovens
- ranges
- refrigerators
- sinks

**Capital improvement\***

**Repair, maintenance, or installation**

**Kitchens (cont.)**

Replacement of:

- cabinet doors
- faucets
- portions of countertops
- portions of cabinets
- portable dishwashers
- freezers
- ranges
- refrigerators

**Landscaping and yard care**  
*(see also - Driveways, parking lots, and walks, Exterior)*

Original installation or complete replacement of:

- fences (permanent)
- flagstone walks
- patio block or other types of walks
- fountains (except free standing)
- gates
- lawns or complete sections\* of a lawn
- ponds (permanent)
- retaining walls
- rock gardens
- underground lawn sprinkler systems

Planting or replacing perennials

Planting or replacing of shrubs and trees

Original installation of gravel or crushed stone paths

Original installation or complete replacement of concrete and blacktop sidewalks

Resurfacing of blacktop sidewalks

\* A "complete section" of a lawn is a section surrounded by driveways, buildings, walks, structures or other barriers which divide it from other sections of lawn.

Application of fertilizers, herbicides and pesticides

Installation of free standing fountains

Installation of temporary or moveable ponds

Maintenance contracts

Mowing of lawns

Planting of annuals

Pruning, winter banking, fertilizing of trees and shrubs

Removal without replacement of trees or shrubs (when not part of a capital improvement project)

Repair of walks; adding stone, replacing damaged patio blocks or bricks, releveling walks, repairing cracks in concrete

Repair of fences and gates

Repair or replacement of the following in underground lawn sprinkler systems:

- centrifugal pumps
- pump controllers
- remote control valves
- sections of piping
- sprinkler controllers
- sprinkler heads

Repairing sections of retaining walls

Replacement of fence fabric

Reseeding or overseeding of lawns

Sodding bare spots

Straightening or repairing retaining walls

### Capital improvement\*

### Repair, maintenance, or installation

#### Masonry

(see also - Brickwork, Chimneys)

Installation or complete replacement of:

- block walls
- brick walls
- footings
- foundations
- walks
- poured concrete posts
- slabs
- sidewalks
- stairways
- walls

Repair or partial replacement of:

- block walls
- brick walls
- footings
- foundations
- walks
- poured concrete posts
- slabs
- sidewalks
- stairways
- walls

#### Miscellaneous

Asbestos removal (when done as part of a capital improvement contract)

Asbestos removal (when done as part of a repair or maintenance contract)

Debris removal from construction sites (when done as part of a capital improvement contract)

Debris removal from construction sites (when done as part of a repair or maintenance contract)

Fire sprinkler system installed or replaced in ceilings and connected to water supply systems

Installation or replacement of:

- attic fans
- independent smoke or heat detectors
- mail boxes (installed on wall or post)
- smoke detectors (battery operated)

Installation or complete replacement of elevators

Periodic maintenance services on elevators and escalators

Installation or complete replacement of:

- attic fans (permanently installed)
- fire or smoke detectors (permanently installed)
- central vacuum systems
- suspended ceilings

Pest control

Repair or maintenance of central vacuum systems

Installation of winter protection, temporary heat, electric and plumbing at construction sites

Repair or maintenance of elevators

#### Painting

Painting of **new** buildings, structures, or additions

Painting or repainting of existing buildings, structures, or parts thereof

Painting of any new additions or installations that constitute capital improvements

### Capital improvement\*

### Repair, maintenance, or installation

#### Patios

(see also - Decks)

Installation or complete replacement of:

- blacktop patios
- concrete patios
- flagstone, block or brick patios
- patio roofs
- wood patios

Painting, varnishing or waterproofing **new** patios

Painting, varnishing or waterproofing existing patios

Repair or maintenance of patios

Repairing and patching of holes or cracks

Replacing sections of concrete patios

Replacement of blocks and flagstones

#### Plumbing - piping

Additions to piping systems

Excavation required for installation or complete replacement of piping systems

Original insulation of new or replacement piping systems

Installation or complete replacement of:

- garbage disposals
- piping systems
- sprinkler systems
- water softeners
- water pumps

Repair of pipes and fittings

Repair of sprinklers, water softeners and well pumps

Repair or replacement of:

- air chambers
- cabinets
- relief valves
- shutoff valves
- storage tanks
- traps

Thawing frozen pipes

Unclogging of main drain pipes

#### Plumbing - sinks

Installation or complete replacement of sinks and necessary sink fittings

Repair or replacement of:

- aerators
- bottom cages
- couplings
- diverter assemblies
- escutcheons
- faucets
- handles
- handle assemblies
- hose assemblies
- hose guides
- inlet seals
- locknuts, connectors
- packing nuts
- seats
- spouts
- spray heads
- stems
- traps
- washers

Unclogging of sink drains

#### Plumbing - toilets

Installation or complete replacement of toilets and necessary toilet fittings

Cleaning

Repair or replacement of:

- float arms/balls
- flush handles
- guide arms
- inlet valves
- lift wires
- plungers
- tank balls
- tank drains
- toilet seats
- toilets seats
- trip sleeves
- tubes
- valve seats
- washers

Unclogging of toilet drains

**Capital improvement\***

**Repair, maintenance, or installation**

**Plumbing - tubs and showers**

Installation or complete replacement (including necessary fittings) of:

- Shower stalls
- Tubs
- Tub enclosures

Cleaning

Repair of enclosures

Repair or replacement of:

- automatic diverters
- cartridges
- ears
- faucets
- faucet heads
- handles
- red flats
- retainer clips
- shower bases
- shower heads
- stems
- stop tubes
- traps
- washers

Unclogging of tub-shower drains

**Roofs and roofing materials**

Complete replacement of a roof or roofing materials (entire building), or the complete side of a peaked roof, or the complete roof or roofing materials on a wing, turret, dormer, etc.

Application of roof coating or resaturants to existing roofs

Cleaning and repairing of all types of roof systems, gutters, downspouts, drains, etc.

Installation or replacement of complete gutter and downspout systems

Repair or spot replacement of all types of roofs or roofing materials (asphalt, shingle, slate, tile, built-up, metal, single ply)

Original installation of all types of roof systems including accessories

Repair or replacement of the following items or accessories:

- copings
- cornices
- drip edges
- electric heating tape
- expansion joints
- flashings (all types)
- gravel stops and fascias
- gutter and downspout systems (partial)
- heating cables
- louvers and screens
- metal or composition valleys
- metal ornaments
- metal stacks
- rain and draft deflectors
- shingles (all types)
- skylights and scuttles
- snow guards
- snow slides
- ventilators

**Septic systems**

Excavation required for installation

Cleaning or pumping out of septic tank

Installation or complete replacement of:

- distribution boxes
- dry wells
- grease traps
- leach fields
- lines
- seepage pits
- septic tanks

Excavation required for repair or maintenance

Repair or maintenance of:

- distribution boxes
- dry wells
- grease traps
- leach fields
- lines
- seepage pits
- septic tanks

**Capital improvement\***

**Repair, maintenance, or installation**

**Stairs**

Installation or complete replacement of sets of stairs or staircases

Painting, varnishing or staining of new stairs or staircases

Eliminating squeaks

Painting, varnishing or staining of existing stairs

Repair or replacement of:

- balusters
- handrails
- newels
- risers
- termite damage
- treads
- wet and dry rot

Tightening of loose balusters

**Sump pumps**

Digging of sump pump holes

Installation or complete replacement of permanent sump pumps

Installation or replacement of portable sump pumps

Repair or replacement (in permanent or portable sump pumps) of:

- electrical cords
- floats
- motors
- piping and connectors
- pump suction heads
- shutoff switches

**Swimming pools**

Installation of in-ground swimming pool, including excavation work done in connection with the installation

Original installation or complete replacement of:

- heater for in-ground swimming pool
- liner for in-ground swimming pool

Installation or replacement of:

- above ground swimming pool including excavation work done in connection with the installation
- pumps, filters etc.
- heater for above ground swimming pool

Repair or maintenance of above ground or in-ground swimming pool, including:

- cleaning
- repairing of liners
- repairing pumps and heaters

**Ventilation**

Installation or complete replacement of permanent:

- attic fans
- exhaust fans
- gable vents
- roof vents
- soffit vents
- wind turbines

Installation or replacement of portable attic fans

Repair, maintenance or replacement of the following in permanent or portable attic or exhaust fans:

- bearings
- blades
- motors
- shutters

**Capital improvement\***

**Repair, maintenance, or installation**

**Walls**

- Baseboards and trim installed in connection with paneling walls
- Baseboards and trim installed on new or completely replaced walls
- Complete paneling of new or existing walls
- Finishing of new or completely replaced walls
- Installation or complete replacement of tile walls
- Installation or complete replacement of a wall
- Original insulation of new or completely replaced walls
- Painting of new or completely replaced walls (including murals)
- Removal of a wall
- Wallpapering of new or completely replaced walls
- Waterproofing new or completely replaced walls

- Cleaning
- Fixing nail pops
- Painting of existing walls (including murals)
- Patching cracks
- Regrouting of ceramic tile
- Repair of:
  - dents
  - split wallboard tape
  - termite damage
  - wet and dry rot
- Replacement of:
  - ceramic fixtures
  - damaged ceramic tiles
  - existing baseboards, molding, trim
  - wallboard panels
  - wood panels
- Stopping water leaks
- Taping of existing walls
- Wallpapering of existing walls

**Windows**

- Application of window film or coating in connection with original installation or complete replacement
- Caulking of new or completely replaced windows
- Installation or complete replacement of permanent combination storm windows
- Installation or complete replacement of complete windows (frames and sashes)
- Painting, varnishing or staining of new or completely replaced windows
- Installation or complete replacement of permanent window shutters

- Applying putty, window film or coating to existing windows
- Caulking of existing windows (interior/exterior)
- Eliminating sticking
- Installation of:
  - drapery rods/ hardware
  - shades
  - valances
  - Venetian blinds
  - window quilts
- Lubricating sashes
- Painting, varnishing or staining of existing windows
- Repair of:
  - broken glass
  - termite damage
  - wet and dry rot
  - windows
  - window frames
  - window sills

**Capital improvement\***

**Repair, maintenance, or installation**

**Windows (cont.)**

Replacement of:

- aprons
- balances
- frames
- hardware (latches, handles, locks, etc.)
- inside stops
- parting strips
- pocket covers
- sash balances
- sash cords
- sash stiles
- sash weights
- sash weight pulleys
- side casings
- side jambs
- stools
- storm windows panes or screens
- window frames
- window panes (glass or plastic)
- window sills
- yoke or head jambs

Weatherstripping

---

**Yard Care**

*(See - Landscaping and yard care)*

---

\* Items characterized in this Part as Capital Improvements will not qualify as capital improvements if they are installed for a tenant and the lease provides that they must be removed at the end of the lease if the item is otherwise intended not to be permanently installed. Please see "Leasehold improvements" on page 8 of this publication.

## Publication 862

(4/01)

### NEED HELP?



**Telephone Assistance** is available from 8:30 a.m. to 4:25 p.m.(eastern time), Monday through Friday.

---

For business tax information, call the  
New York State Business Tax  
Information Center: 1 800 972-1233

---

For general information: 1 800 225-5829

---

To order forms and publications: 1 800 462-8100

---

From areas outside the U.S. and  
outside Canada: (518) 485-6800



**Fax-on-Demand Forms** -- Forms are available  
24 hours a day, 7 days a week. 1 800 748-3676



**Internet Access** -[www.tax.state.ny.us](http://www.tax.state.ny.us)



### Hotline for the Hearing and Speech Impaired -

1 800 634-2110 from 8:30 a.m. to 4:25 p.m.(eastern time),  
Monday through Friday. If you do not own a telecommunications  
device for the deaf (TDD), check with in dependent living centers  
or community action programs to find out where machines are  
available for public use.



**Persons with Disabilities** - In compliance with the Americans  
with Disabilities Act, we will ensure that our lobbies, offices,  
meeting rooms and other facilities are accessible to persons  
with disabilities. If you have questions about special  
accommodation for persons with disabilities,  
please call 1 800 225-5829.



**Mailing Address** - If you need to write, address your letter  
to: NYS TAX DEPARTMENT  
TAXPAYER ASSISTANCE BUREAU  
W A HARRIMAN CAMPUS  
ALBANY NY 12227

New York State  
Department of Taxation and Finance  
W A Harriman Campus  
Albany NY 12227