

1983 Legislation - Chapter 1019

Bulk Vending Machine Sales

Chapter 1019 of the Laws of 1983, effective September 1, 1983, amends section 1115(a) of the Tax Law by adding a new paragraph (13-a).

This new paragraph provides that sales of tangible personal property made through coin-operated bulk vending machines at twenty-five cents or less are exempt from sales and compensating use taxes, provided the vendor of the tangible personal property is primarily* engaged in making sales at twenty-five cents or less through bulk vending machines and maintains records satisfactory to the State Tax Commission.

For purposes of this amendment, a bulk vending machine is defined as a vending machine containing unsorted merchandise which, upon insertion of a single coin, dispenses the merchandise in approximately equal portions, at random and without selection by the customer. Such vending machine is a simple mechanical device capable of accepting a coin of only one denomination (either a penny, nickel, dime or quarter). Unsorted merchandise dispensed by such vending machine includes gum, candy, toys, novelties or similar merchandise.

Please note that although the effective date of the exemption is September 1, 1983, this amendment did not become law until November 11, 1983. Therefore, operators of bulk vending machines must remit the sales tax that they were required to include as part of the selling price during the period September 1 through November 11, 1983.

*Primarily means that 75% or more of the vendor's total receipts from all sales made by him must be receipts from sales of tangible personal property at twenty-five cents or less made through bulk vending machines.