

STATE OF NEW YORK
STATE TAX COMMISSION

In the Matter of the Petition

of

CRANE'S COUSINS (Seller)

AFFIDAVIT OF MAILING

For a Redetermination of a Deficiency or :
a Revision of a Determination or a Refund :
of Sales and Use :
Taxes under Article(s) 28 & 29 of the :
Tax Law for the ~~Year(s)~~ Period ~~(s)~~ :
November 30, 1969 through November 30, 1972.

State of New York
County of Albany

Violet Walker , being duly sworn, deposes and says that
she is an employee of the Department of Taxation and Finance, over 18 years of
age, and that on the 24th day of June , 1977, she served the within
Notice of Decision by ~~(certified)~~ mail upon Crane's Cousins

~~(representative of)~~ the petitioner in the within proceeding,

by enclosing a true copy thereof in a securely sealed postpaid wrapper addressed
as follows:

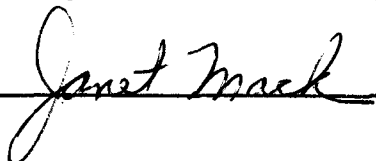
Crane's Cousins
c/o Morris Jaffe
Longview Lane
Chappaqua, New York

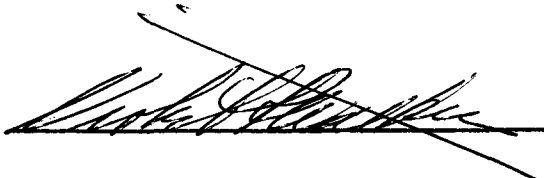
and by depositing same enclosed in a postpaid properly addressed wrapper in a
(post office or official depository) under the exclusive care and custody of
the United States Postal Service within the State of New York.

That deponent further says that the said addressee is the ~~(representative~~
~~of the)~~ petitioner herein and that the address set forth on said wrapper is the
last known address of the ~~(representative of the)~~ petitioner.

Sworn to before me this

24th day of June , 1977.







STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE

STATE TAX COMMISSION

TAX APPEALS BUREAU
STATE CAMPUS
ALBANY, N.Y. 12227

ADDRESS YOUR REPLY TO

June 24, 1977

TELEPHONE: (518) **457-1723**

Crane's Cousins
c/o Morris Jaffe
Longview Lane
Chappaqua, New York

Please take notice of the **DECISION**
of the State Tax Commission enclosed herewith.

Please take further notice that pursuant to
Section(s) **1138 & 1243** of the Tax Law, any
proceeding in court to review an adverse deci-
sion must be commenced within **4 months**
from the date of this notice.

Inquiries concerning the computation of tax
due or refund allowed in accordance with this
decision or concerning any other matter relative
hereto may be addressed to the undersigned. They
will be referred to the proper party for reply.

Very truly yours,

Paul E. Coburn
Supervising Tax
Hearing Officer

Enc.

cc: ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~
Petitioner's Representative:

Taxing Bureau's Representative:

STATE OF NEW YORK

STATE TAX COMMISSION

In the Matter of the Petition	:	
of	:	
CRANE'S COUSINS (SELLER)	:	DECISION
for Revision of a Determination or for Refund	:	
of Sales and Use Taxes under Articles 28 and	:	
29 of the Tax Law for the Period November 30,	:	
1969 through November 30, 1972.	:	

Petitioner, Crane's Cousins, Inc. (seller), through Morris Jaffe, individually and as an officer of Crane's Cousins, Inc., Longview Lane, Chappaqua, New York, has filed a petition for revision of a determination or for refund of sales and use taxes under Articles 28 and 29 of the Tax Law for the period November 30, 1969, through November 30, 1972. (File No. 10079.) A formal hearing was held before Archibald F. Robertson, Jr., Hearing Officer, at the office of the State Tax Commission, Two World Trade Center, New York, New York, on November 30, 1976, at 2:45 p.m. Petitioner appeared pro se. The Sales Tax Bureau appeared by Peter Crotty, Esq. (Richard Kaufman, Esq., of Counsel.)

ISSUES

I. Whether those activities of petitioner which involve incorporating a hairpiece into a customer's hair constitute "installing tangible personal property" within the meaning of Tax Law §1105(c)(3).

II. Whether those activities of petitioner which involve styling hair with an incorporated hairpiece constitute "maintaining, servicing or repairing tangible personal property" within the meaning of Tax Law sec. 1105(c)(3).

FINDINGS OF FACT

1. Petitioner's activities at issue are found to be the creating of hairstyles involving a hairpiece incorporated into the customer's natural hair. Usually petitioner incorporates the hairpiece, but occasionally the hairpiece has already been incorporated, either by petitioner on a prior occasion, or by another.

2. The size of the hairpiece used varies from a wiglet (the equivalent of ten percent of the customer's hair) to a full sized wig. The process is the same for all, hence all are within the term "hairpiece". (Petitioner also sells hairpieces to customers, and collects sales tax on each sales transaction.)

3. A demonstration showed that the incorporation of the hairpiece into the natural hair is a complex, sophisticated process which accounts for a significantly higher price than that of the same hair styling without the hairpiece.

4. The bobby pins, rollers, and other such implements can be distinguished from the wiglet, in that they serve as tools for petitioner which, for the most part, are removed at the completion of

the styling and remain with petitioner. The hairpiece, by contrast, becomes a permanent part of the hair for the duration of the setting, and is tangible personal property within the meaning of Tax Law sec. 1105(c)(3).

5. Petitioner's styling services upon a customer's hair with a hairpiece incorporated in it are unique. Significant skill is required of petitioner to create the desired styling effect.

CONCLUSIONS OF LAW

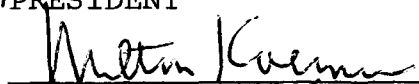
A. That Tax Law sec. 1105(c)(3) is applicable to activities of petitioner in which a hairpiece, sold to the customer or supplied by the customer, is incorporated into the customer's natural hair by the petitioner, this activity constituting the "installing of tangible personal property".

B. That sec. 1105(c)(3) is also applicable to activities of petitioner in which petitioner on a prior occasion, or a party other than petitioner, has installed the hairpiece, petitioner's activities being limited to the styling of the customer's hair with hairpiece in place, this activity constituting a "maintaining" or "servicing" of "tangible personal property", and that, therefore, petitioner's application is denied.

DATED: Albany, New York
June 24, 1977

STATE TAX COMMISSION


PRESIDENT


COMMISSIONER


COMMISSIONER