



IRA A JACKSON  
COMMISSIONER

*The Commonwealth of Massachusetts*  
*Department of Revenue*  
*Leverett Saltonstall Building*  
*100 Cambridge Street, Boston 02204*

February 21, 1985

You request a ruling regarding the application of the Massachusetts sales tax to certain reports prepared by your client ("Company") for its customers. You describe the Company as essentially a general contractor, coordinating the work of six subcontractors in verifying the correct taxpayer identification number for its customers' payees of interest and dividends. The Company's output to its customers is in machine-readable form, on magnetic tape.

The Massachusetts sales tax does not apply to the furnishing of information which is personal or individual in nature and which is not or may not be substantially incorporated in reports furnished to other persons. (G.L. c. 64H, § 12(f)). The Sales and Use Tax Regulation on Automatic Data Processing provides that the processing of customer-furnished data into machine-readable output is subject to the sales tax. (830 CMR 64H.06(11)).

The Company gathers and processes data from sources other than its customers. The reports furnished by the Company are personal and individual information, in that they pertain to the identity of individual payees and consist of unique, specific identification numbers which are protected from disclosure by state and federal law. Therefore, the sale of the Company's reports to its customers is not subject to the sales tax.

Very truly yours,

*IRA A. JACKSON*  
Commissioner of Revenue

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LR 85-31