

New York State Department of Taxation and Finance  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-98(9)S  
Sales Tax  
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**Coin Operated Telephones**

Effective on and after September 1, 1998, intrastate telephone calls made from a pay phone, where the charge for the call is 25 cents or less, are exempt from sales tax when the calls are paid for with coins. Prior to September 1, 1998, charges of 10 cents or less for intrastate telephone calls made from pay phones and paid for with coins were exempt from sales tax. The exemption continues to apply only to intrastate telephone calls made from public telephones and paid for by means of inserting coins. This exemption **does not** apply to intrastate telephone calls made from pay telephones and paid for by means of credit cards, debit cards, or phone calling cards. Intrastate telephone calls made from a pay phone and costing more than 25 cents are subject to sales tax. Interstate calls made from pay phones continue to be exempt from sales tax regardless of the charge.