

Alabama	<p>Ala. Admin. Code 810-27-1-4-.17.01.(2)(a)(1). In the case where a taxpayer's customer is an individual and the service provided is a direct personal service, the sale shall be sourced to the state where the customer received the direct personal service. "Direct personal services" are services that are delivered or rendered in person by or on behalf of the service provider to the customer. This type of service requires the service provider and the customer be together at one location. Direct personal services include, but are not limited to, salon services, medical and dental services including examinations and surgeries, dance lessons and other similar services.</p> <p>(i) Example (i): Hair Cutting Corp, located in Alabama and other states, provides hair grooming services for individuals. Receipts from hair grooming services performed at Hair Cutting Corp locations in Alabama shall be sourced to this state. Receipts from hair grooming services performed at Hair Cutting Corp locations outside of Alabama shall be sourced to the state in which the services were performed.</p>
California	<p>CA Legal Ruling 2005-1: The personal service rule of regulation section 25136, subsection (d)(2)(C), includes any service performed where capital is not a material income-producing factor. Furthermore, personal services are not limited to professional services or to specialized services performed by one individual.</p>
Florida	<p>Technical Assistance Advisement 09C1-003: Appears to limit definition of "personal services" to those outlined in I.R.C. § 448(d)(2)(A): "the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, or consulting."</p> <p>Fla. Admin. Code Ann. r. 12C-1.0155(2)(e) Personal Services.</p> <ol style="list-style-type: none"> 1. Gross receipts for the performance of personal services are attributable to Florida if such services are performed in Florida. 2.a. If services relating to a single item of income are performed partly within and partly without Florida, the gross receipts for the performance of such services shall be attributable to Florida only if a greater portion of the

	<p>services were performed in Florida, based on costs of performance.</p> <p>b. The term “costs of performance” means direct costs determined in a manner consistent with generally accepted accounting principles and in accordance with accepted conditions or practices in the taxpayer’s trade or business. Where independent contractors are used to complete a contract, the term “costs of performance” will include amounts paid to the independent contractors.</p> <p>3. Where services are performed partly within and partly without this state, the services performed in each state may constitute a separate income producing activity, even though the client is billed a lump sum amount. In such cases, the gross receipts for the performance of services attributable to this state shall be measured by the ratio which the time spent in performing such services in this state bears to the total time spent in performing such services everywhere. Time spent in performing services includes the amount of time expended in the performance of a contract or other obligation which gives rise to such gross receipts. Personal services not directly connected with the performance of the contract or other obligation, as for example, time expended in negotiating the contract, are excluded from the computations.</p>
Massachusetts	<p>PROPOSED - 830 CMR 63.38.1(d)(4)(b): “In-Person Services” are services that are physically provided in person by the taxpayer, where the customer or the customer’s real or tangible property upon which the services are performed is in the same location as the service provider at the time the services are performed. This rule includes situations where the services are provided on behalf of the taxpayer by a third-party contractor. Examples of in-person services include, without limitation, warranty and repair services; cleaning services; plumbing services; carpentry; construction contractor services; pest control; landscape services; medical and dental services, including medical testing and x-rays and mental health care and treatment; child care; hair cutting and salon services; live entertainment and athletic performances; and in-person training or lessons. In-person services include services within the description above that are performed at (1) a location that is owned or operated by the service provider or (2) a location of the customer, including the location of the customer’s real</p>

or tangible personal property. Various professional services, including legal, accounting, financial and consulting services, and other such services as described in 830 CMR 63.38.1(9)(d)4.d, although they may involve some amount of in-person contact, are not treated as in-person services within the meaning of this section, 830 CMR 63.38.1(9)(d)4.b.

ii. Assignment of Sales. Except as otherwise provided in this subsection 830 CMR 63.38.1(9)(d)4.b, where the service provided by the taxpayer is an in-person service, the delivery of the service is at the location where the service is received. Therefore, the sale is in Massachusetts if and to the extent the customer receives the in-person service in Massachusetts. In assigning its sales of in-person services, a taxpayer shall first attempt to determine the location where a service is received, as follows:

- (A) Where the service is performed with respect to the body of an individual customer in Massachusetts (e.g. hair cutting or x-ray services) or in the physical presence of the customer in Massachusetts (e.g. live entertainment or athletic performances), the service is received in Massachusetts.
- (B) Where the service is performed with respect to the customer's real estate in Massachusetts or where the service is performed with respect to the customer's tangible personal property at the customer's residence or in the customer's possession in Massachusetts, the service is received in Massachusetts.
- (C) Where the service is performed with respect to the customer's tangible personal property and the tangible personal property is to be shipped or delivered to the customer, whether the service is performed in Massachusetts or outside

	<p>Massachusetts, the service is received in Massachusetts if such property is shipped or delivered to the customer in Massachusetts. In any instance in which the state or states where a service is actually received cannot be determined, but the taxpayer has sufficient information regarding the place of receipt from which it can reasonably approximate the state or states where the service is received, the taxpayer shall reasonably approximate such state or states. In any instance where the state to which the sale is to be assigned can be determined or reasonably approximated, but the taxpayer is not taxable in such state, the sale that would otherwise be assigned to such state shall be excluded from the numerator and denominator of the taxpayer's sales factor. <i>See 830 CMR 63.38.1(9)(d)1.f.ii.</i></p>
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