#18 OUTFITTERS
An Educational Guide to Sales Tax in the State of Idaho

This brochure is intended to help outfitters understand the sales tax laws that apply to their business. This information is based on the sales tax laws and rules in effect on April 1, 2007.

Should I charge tax on the fees customers pay for my outfitting services?

It depends on the service you provide. Idaho law imposes a sales tax on charges for using tangible personal property or other facilities for recreation. Some fees charged by outfitters fall into this category. It doesn’t matter where your office is located, or where the billing and payment takes place. If the charge is for services performed in Idaho, sales tax applies unless a specific exemption exists.

How much of the fee is taxable?

With the exception of the items discussed next, your entire fee is taxable. Also, if you house your customers in a lodge you own in Idaho, you must get a travel and convention tax permit and charge an additional travel and convention tax on that portion of the bill.

How much of the fee is not taxable?

If you list the following items separately on your customer’s invoice, you don’t have to charge sales tax on:

- Any fees for services performed outside of Idaho.
- River or lake activities in Idaho. The charge for these activities is not subject to Idaho sales tax because it is preempted by federal law as of November 25, 2002. However, this exemption doesn’t apply to the selling and leasing of boats. These sales are taxable. Also, the charges for guided trips on land in Idaho for any recreational purpose are still subject to tax.
- The Government Use Fee charged by the U.S. Forest Service or other government agencies for the right to use public land or water for outfitting.
- Expenses you pay to airlines, bus companies, motels, etc. for your customer. You pay the tax to the service provider and shouldn’t charge tax when you bill the expense to your customer.
- Meals you serve, but only if you paid tax when you bought the food.

When do I have to send the tax to the state?

You must send the tax to the state on your sales tax return for the month that the services or sales take place. For example, if you receive a deposit on a float, hunting, or hiking trip in March, but the trip is taken in September, report the taxable portion on the September return rather than the March return.
What can I buy without paying tax?

You can buy the items listed below without paying sales tax to the vendor.

- **Food.** When you furnish meals as part of the charge for a trip, you may buy the food without paying tax if you list the meal charges separately and collect tax on them. Another option is to pay tax to the vendor when you buy food; in this case you wouldn’t collect a tax when you charge your customers for meals. If you buy food for your customers without paying tax and then you consume it, or your family or guides consume it, you must pay use tax on the food by reporting it on your sales tax return.

- **Rental gear.** When you keep a supply of gear that you rent to customers for an extra charge, these items are considered to be purchased for resale. You can buy these items without paying tax. When you rent the items to your customer, you must collect sales tax. **Examples** of “rental gear” include ground sheets, sleeping bags, boots, rain gear, and dry bags. Rental gear **does not include** supplies and equipment used in the business. Nor does it include items you require the customer to rent from you or items you provide to all customers. These items are considered equipment used in the business, and you must pay tax when you buy them.

- **Intrastate charter services.** When you hire a charter aircraft to transport your customers within Idaho, no tax is due. List the fee for the air service separately on the customer’s bill, but don’t charge tax on the service. Federal law prohibits states from taxing any air charter transportation of passengers or freight, as well as recreational flights.

- **Taxidermy and meat processing services.** When you hire a taxidermist or meat processor on behalf of your customer, you can purchase this service without paying sales tax. You must charge sales tax when you bill your customer for the service.

How do I make tax-exempt purchases?

To buy items tax free, you must give your supplier a completed form ST-101, Sales Tax Resale or Exemption Certificate. Once it is on file with a vendor, this form is valid for all future exempt purchases.

When do I have to pay tax on my purchases?

You must pay tax when buying equipment and supplies for use in your business. These items include boats, rafts, oars, motors, horses, tack, llamas, transportation equipment, camping and cooking gear, animal feed, brochures, and promotional give-away items.

What about travel agency charges?

When your outfitter services are purchased by a customer through a travel agency and you bill your fees to the agency, you must charge tax on the amount billed. Any difference between the amount you charge and the amount paid to the travel agency by the customer is a payment for services and is not taxable.

However, if the travel agency arranges for your services, but you bill the customer and pay the travel agency a fee, you must charge tax on the total amount charged to the customer. You can’t deduct the fee paid to the travel agency for its services when determining the amount of tax to charge the customer.

What if I hire another outfitter to serve my customer?

If you hire another outfitter to serve a customer, your use of the other outfitter’s services is considered a purchase for resale. You can purchase the services of the other outfitter without paying tax by giving him a completed form ST-101, and then collecting tax from your customer.
Who can purchase my services without paying sales tax?

For taxable services performed in Idaho, the only customers who can purchase your services without paying sales tax are:

- Other outfitters, if they resell the services. They must give you a completed form ST-101 to claim the tax exemption.
- Buyers who are exempt from sales tax on all purchases, such as nonprofit schools and hospitals, and Idaho state and local governments. These buyers must give you a completed form ST-101 for your records to claim the tax exemption.
- The U.S. Government. You can document an exempt sale by keeping a copy of the government purchase order or a copy of the check stub or remittance advice, or by having the agency complete form ST-101.

For more information on documenting exempt sales, see Brochure #5, Retailers & Wholesalers: Making Exempt Sales.

How do I get a refund of sales tax I collected in error?

If you collected tax unnecessarily, you can apply for a refund of the tax you paid. First, you must reimburse the tax to your customers, then apply for a refund on Form TCR, Sales Tax Refund Claim (available online at tax.idaho.gov), and send it to the Tax Commission with your sales tax return. You must apply for the refund within three years of the date you paid the tax to the state, and provide documents showing that you reimbursed your customers.

For more information, read:

- Brochure #2 Use Tax
- Brochure #5 Retailers & Wholesalers: Making Exempt Sales
- Brochure #16 Food, Drink & Lodging
- Rule 028 Hotels, Motels and Campgrounds
- Rule 047 Outfitters, Guides, and Like Operations
- Rule 128 Certificates for Resale and Other Exemption Claims

For more information, contact:

- Idaho State Tax Commission: In the Boise area, 334-7660; Toll free, (800) 972-7660
- Hearing impaired: TDD (800) 377-3529
- tax.idaho.gov

This information was prepared by the Idaho State Tax Commission. It does not provide comprehensive explanations of Idaho tax laws or rules. Specific questions should be addressed to the Tax Commission.