

FOR MORE INFORMATION, READ:

Brochure #5	Retailers & Wholesalers: Making Exempt Sales
Rule 011	Retail Sales – Defined
Rule 018	Retailer – Defined
Rule 043	Sales Price or Purchase Price Defined
Rule 054	Sales by Persons Engaged in Printing
Rule 068	Collection of Tax (rates, etc.)
Rule 072	Application and Payment of Use Tax
Rule 079	Production Exemption

This brochure 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 Idaho State Tax Commission or a qualified tax practitioner.

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Idaho Tax Commission

PRINTING



An Educational Guide to Sales Tax in the State of Idaho

This brochure is intended to help commercial printers understand the sales tax and use tax laws that apply to their business. This information is based on the laws and rules in effect on April 1, 2003.

SALES BY PRINTERS

ARE SALES OF PRINTED MATTER TAXABLE?

Yes.

WHAT AMOUNT BILLED TO MY CUSTOMER IS TAXABLE?

The entire amount for the finished product is taxable. You must charge sales tax on such things as art work, photo engraving, mats, typography, binding and finishing.

WHAT IF THE CUSTOMER PROVIDES ALL THE MATERIALS?

The fee you charge for printing customer-owned materials is taxable.

ARE ENGRAVING AND IMPRINTING CHARGES TAXABLE?

Yes. You must charge tax on engraving charges even if the item you are engraving or imprinting is the customer's own property.

ARE THERE ANY CHARGES ON A PRINTING BILL THAT ARE NOT TAXABLE?

Charges for mailing services are not taxable. These services include addressing, stamping, sealing, inserting, wrapping and government postage. However, if they are not listed separately on your customer's invoice, they are taxable.

WHAT IF MY CUSTOMER CLAIMS TO BE EXEMPT FROM IDAHO SALES TAX?

A customer claiming to be exempt from Idaho sales tax must give you a completed form ST-101, Sales Tax Resale or Exemption Certificate. For more information about who qualifies for exempt purchases, read Brochure #5, Retailers & Wholesalers: Making Exempt Sales.

PURCHASES BY PRINTERS

IS EQUIPMENT USED IN MY COMMERCIAL PRINTING BUSINESS TAXABLE?

Generally, no. Commercial printers (those who resell the products they produce) qualify for the "production exemption." Equipment that is directly and primarily used in your printing process is exempt from Idaho sales tax.

Examples of equipment that is generally non-taxable include:

- Computer hardware and software that operates production equipment
- Film processors
- Typesetting equipment
- Cameras
- Contact frames
- Plate burners and processors
- Step and repeat machines
- Color key proofing systems
- Laminated proofing systems
- Offset and letter presses
- Cutters to size material before printing and in the bindery process
- Stitchers, trimmers, folders, gluers, drills, punches and binders used in the bindery process
- Paper, ink and other supplies which become part of the product
- Chemicals, catalysts and other materials that make your product more marketable

WHAT PURCHASES OF EQUIPMENT AND SUPPLIES ARE TAXABLE?

You must pay sales tax when you buy things like:

- Air compressors used to clean production equipment
- Equipment used in maintenance and repair activities
- Equipment and supplies used in selling and distribution activities
- Office equipment and supplies

HOW DO I BUY EXEMPT ITEMS WITHOUT PAYING TAX?

When you buy exempt goods, you must give your suppliers a completed form ST-101. Once it is on file with a vendor, this form is valid for all future exempt purchases.

DO PRIVATE PRINTING PRESSES HAVE THE SAME EXEMPTIONS AS COMMERCIAL PRINTING PRESSES?

Generally, no. A private printing press usually prints material for its own business use. The "production exemption" applies only when a printer is producing printed matter that it will resell. If you have specific questions about a private printing operation, contact the nearest office of the Idaho State Tax Commission for information.

