

**061. TRANSPORTATION, FREIGHT, AND HANDLING CHARGES.**

[Section 63-3613, Idaho code.](#)

**01. In General.** Whether or not transportation and handling charges are separately stated, the sales price includes any charges made for delivery of goods to the seller. Charges for transportation and handling of goods to the consumer are not included as a part of the sales price regardless of when title passes. (7-1-97)

**02. Charges Not Separately Stated.** Regardless of other provisions of this rule, transportation and handling charges which are not separately stated are included in the sales price subject to tax. (7-1-97)

**03. Example 1: Charges for Delivery to the Seller.** A customer orders goods from a retailer. The goods are shipped to a catalog store where the customer picks them up. A charge to the customer for delivery to the store is a charge for delivery to the seller and is included in the sales price subject to sales tax. (7-1-97)

**04. Example 2: Freight-In Taxable.** A seller of construction equipment orders a part for a customer. The seller separately states on the invoice charges for freight-in to the seller and freight-out to the consumer. The charges for freight-in are part of the sales price subject to sales tax. The charges for freight-out are not subject to sales tax. (7-1-97)

**05. Example 3: Delivery by Retailer.** A consumer orders building materials from a retailer. The retailer delivers the goods to the purchaser by means of the retailer's delivery van. The retailer separately states the charge for transportation and handling of the building materials. Since the charge is for delivery to the consumer, it is not subject to sales tax. (7-1-97)

**06. Example 4: Use of Transportation Charges as a Means of Avoiding Sales Tax.** Seller offers to give away merchandise worth approximately twenty dollars (\$20) if the purchaser pays shipping of nineteen dollars and ninety-five cents (\$19.95). The entire price of nineteen dollars and ninety-five cents (\$19.95) is subject to sales or use tax. (7-1-97)