



Guideline

Sales Tax Printers and Publishers

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Tax Commissioner

Printer

Printer means a person who copies or reproduces an article by any means, process or method, such as multigraphing, lithographing, photostating, multilithing, mimeographing, silk screen printing, rotogravure and imprinting.

Sales by Printers

Sales of printed matter are taxable with the gross receipts from the sales as the basis for the tax. Labor or service charges, including folding and collating, may not be deducted. However, charges for the service of printing on stock furnished by the customer are not taxable.

When printers are required to send materials to addresses on a mailing list as part of a sales agreement, the printer is required to collect tax for the printed materials sent to North Dakota addresses. Mailing charges, such as for addressing, enclosing and sealing are not taxable provided they are separately stated. Charges for envelopes are taxable.

When printed materials are sold on prestamped cards and envelopes, the postage may be deducted from the basis of tax if it is separately stated. When the printer mails letters to individual addresses on a mailing list provided by the customer, the postage billed by the printer is not taxable if the postage charges are separately stated *and* the postage amount is the exact amount of the postage used to mail the item.

Materials may be purchased by printers tax-free by providing their suppliers with a completed certificate of resale, when the materials will be physically incorporated into the printed product. Materials and supplies that are not physically incorporated into the product are taxable when purchased by the printer. (Also see "Printing Aids")

Printing Aids

Articles used in the printing process that are specialized for specific customers and that may be used more than once are identified as **printing aids**, and include electrotypes, photoengraving, silk screens, dies, lithographic plates, color separations, artwork and flats. Printing aids purchased or produced by the printer, and that remain in the name of the printer, are taxable to the printer based upon the purchase price of the printing aids or purchase price of the materials necessary to produce the printing aids.

Printing aids may be purchased or produced by the printer for resale to a customer provided title to these materials passes to the customer by written agreement and the materials are billed separately. The printer's purchase of these materials are not subject to tax, but the sale of such aids to the customer is taxable and will include any charges for fabrication labor.

22053

Newspapers

The sale of newsprint and printers ink used in the publication of a newspaper is exempt from sales tax when purchased by a newspaper publisher.

Sales of newspapers are exempt from sales tax. A *newspaper* means only those publications that generally provide for the dissemination of news of importance and current interest to the general public, general news of the day, and information about current events.

Shopper Guides

Sales of shopper guides, which contain advertising and some community news and are distributed without charge to the general public, qualify for the newspaper exemption.

Advertising Inserts

Advertising inserts that are inserted into the newspapers and distributed along with the newspapers are exempt from sales tax. Those advertising inserts that are directly distributed, and not inserted into newspapers, are subject to tax.

Magazine and Periodical Subscriptions

Sales of magazines and periodicals by subscription are exempt from sales tax. Magazines sold to a nonprofit corporation or organization which provides the magazine free of charge to its members or is included in membership fees or dues are exempt from sales tax. However, sales of magazines and periodicals over-the-counter are subject to sales tax.

Newsletters

Sales of newsletter subscriptions are exempt from sales tax. However, the charges made by a printer for printing a newsletter on behalf of an organization for distribution free-of-charge to members, customers, or employees or published at irregular intervals are subject to sales tax. Newsletters sold to a nonprofit corporation or an organization which provides the newsletter free of charge to its members or is included in membership fees or dues are exempt from sales tax.

Miscellaneous Printings Subject to Tax

Sales of printed matter, including but not limited to books, reference publications and supplements, guides, directories, catalogs, real estate listings, programs, brochures and pamphlets are subject to sales tax if the purchaser does not resell the articles but uses or consumes them, as by distributing them free of charge.

Printing charges to advertising agencies and others who solicit advertisements and distribute advertising materials or publications are subject to sales tax. If the business distributing the advertising materials also prints its own publication, it must pay sales or use tax on the cost of the material used in the printing process.