

REG-1-057, Printing and Related Industries

*** Legislation has excluded separately stated U.S. postage charges from taxable gross receipts for direct mail. This regulation is currently undergoing review for amendment (Neb. Rev. Stat. §§ 77-2701.11 & 77-2701.35). See Revenue Ruling 01-14-1.**

057.01 Printing includes all printing, lithography, photolithography, typography, color separation, rotogravure, gravure, silk screen printing, imprinting, laser printing, multilithing, mimeographing, photocopying, die cutting, binding, folding, and similar operations.

057.02 The printer must collect tax on the gross receipts for printing. The gross receipts are taxable whether the printer or the customer provides the materials. Charges for delivery, postage, or shipping paid to a printer or paid directly to the U.S. Postal service or a common carrier on behalf of the printer are taxable.

057.02A Set up charges, type setting and similar charges, and charges for die cutting, embossing, folding, and other binding operations are taxable.

057.02B The gross receipts from the sale of preprints, such as advertising supplements, newspaper inserts, or similar items, are taxable except when sold for distribution with the newspaper and delivered directly to the newspaper by the printer or a common or contract carrier.

057.03 The printer must collect tax on charges for printing aids or for the preparation of printing aids. The tax must be collected whether they are sold to a client or to another printer. Printing aids are those plates or other materials that physically transfer the image to the paper or other materials.

057.04 The printer may accept a resale or exempt sale certificate or a certificate of exemption for direct mail from a customer. When the resale or exempt sale certificate or certificate of exemption for direct mail is accepted, the printer does not have to collect the tax.

057.04A The printer may accept a resale certificate from an advertising agency acting as a retailer;

057.04B The printer may accept an exempt sale certificate from an exempt organization or governmental unit that is exempt;

057.04C The printer may accept a certificate of exemption for direct mail. The purchaser is responsible for the tax associated with the direct mail certificate. A certificate of exemption for direct mail remains in effect until it is revoked in writing by the purchaser, (See Reg-1-105, Direct Mail); or

057.04D The printer may accept delivery information for direct mail. The printer will collect tax based on the jurisdictions into which the direct mail will be delivered. (See Reg-1-105, Direct Mail.)

057.05 The printer must pay tax on all machinery and equipment and on all tools, supplies, cleaning materials, and other consumables.

057.05A Consumables include printing plates that are not suitable for reuse and printing plate materials used to make printing plates which are not suitable for reuse. Such plates and plate materials are not resold to the printer's customers and therefore, cannot be purchased by the printer tax-free for resale.

057.06 The printer must pay the tax on printing aids it purchases to use. When the printing aids are sold to the customer before they are used, the printer may purchase the printing aids for resale. Unless there is a written

agreement to the contrary, the printing aids will be considered sold before use when the printing aids are separately listed and priced on the printer's invoice to the customer.

057.06A When the printing aids are sold to the customer after they are used, the printer must pay tax to his or her supplier and the printer must also collect tax on the sale to the customer.

057.06B The printer must pay tax on materials and artwork that are purchased to make printing aids. These materials and artwork include photographs, drawings, paintings, hand lettering, other artwork, photographic reproductions of such material, pasteups, mechanicals, or camera-ready copy.

057.07 The printer may purchase paper, ink, and bindery materials that will be part of the product sold to the customer for resale. Similar materials that are a part of the product delivered may also be purchased for resale.

057.08 If mats for comic strip drawings, syndicated columns, syndicated photos, or publicity photos are furnished to the publisher, then the columnist, syndicate, or the person who purchases the mat must pay the tax to the person who makes the mat.

057.09 Charges for duplicating by means of a computer, word processor, or memory typewriter are taxable. The taxable amount includes any amount for the original typing of the letter to be duplicated, and any customized information that will be automatically inserted into the letter.

057.10 Charges for individually typing by hand the salutation or inside address or a personalized reference on mechanically duplicated letters are exempt. Charges for addressing for mailing by hand are exempt.

057.11 Sales of signs, show cards, and posters are taxable. Charges for painting signs, show cards, and posters are taxable whether the materials are furnished by the painter or by the customer.

057.12 Charges for painting or lettering on real property, such as a building or a window, are not taxable. Paint is a building material and is taxed based on the contractor option selected by the painter. (Reg-1-017, Contractors.)

(Sections 77-2701.12, 77-2701.31, and 77-2701.33, R.R.S. 2003, and section 77-2701.16, 77-2701.32, 77-2701.35, and 77-2703.03, R.S.Supp., 2008. February 22, 2009.)