

Chapter 03 Leased Departments

- 100 When an established business leases a portion of its shelves, counters or floor space to another business or person selling tangible personal property or performing taxable services, the sales made by the leased departments or the gross income received shall be reported and paid by the lessor. A lessor not otherwise subject to the tax shall obtain a license on behalf of the lessee.
- 101 When the lessee conducts the leased department in the same manner as a similar established business and gives evidence to the public of conducting the department separately from the lessor's business, the lessee may apply for a sales tax license and file sales tax returns, provided separate records of the business are maintained. The lessor shall be secondarily liable for the tax in instances where the lessee does not fulfill his tax obligations under such license.
- 102 Use tax shall be reported and paid to the State by the lessee.
- 103 The word "lease" used in this rule includes permitted occupancy regardless of consideration.
- 104 (Reserved)

35.IV.3.03 revised effective January 15, 2019