

Chapter 06 Paper Products and Paper Dealers

- 100 Sales of paper products are classified according to the intended use of the product.
- 101 Paper products include, but are not limited to, brochures, manuals, cardboard boxes, wrapping paper, napkins, labels, tickets, memo pads, sticky notes, and advertising materials.
- 102 Sales of raw materials to manufacturers or custom processors are exempt. Paper products sold to manufacturers, custom processors or wholesalers as shipping materials to accompany goods sold are exempt from sales tax.
- 103 Paper products sold to licensed retailers for resale and containers used as shipping materials to accompany goods or services sold by the retailer are exempt.
- 104 Sales of materials for use by the purchaser for his own consumption, such as advertising, sales promotion materials, supplies, or materials furnished to merchants are taxable at the regular retail rate of tax.
- 105 The schedule below provides guidance in determining the correct tax treatment when paper dealers sell paper products:

		When Sold to:					
Type of Paper Product Sold:		Paper Products Retailers (For Resale)	Other Retailers - Grocery stores, restaurants, cafeterias, convenience stores, dept. stores, etc.	Consumer - Product used for individuals or businesses own use, including employees of seller, churches & religious institutions, private schools, colleges, & hospitals, offices, hotels, motels, professionals, etc.	Manufacturers & Processors	Laundries & Dry Cleaners	Government agencies, nonprofit private schools, public schools, nonprofit hospitals & public hospitals.
Advertising Materials - Including matches, brochures, leaflets, hand bills, manuals, signs, catalogs, etc.		Exempt	Regular Retail	Regular Retail	Regular Retail	Regular Retail	Exempt
Containers - Including bags, boxes, sacks, cartons, cases, wrapping paper, twine, tape, collar tabs, shirt boards, coat hangers, cups, plates, napkins, forks, spoons, straws, waxed paper, car lining paper, labels & other one time use containers.		Exempt	Exempt	Regular Retail	Exempt	Exempt	Exempt
Supplies - Including table cloths, towels, toilet tissue, confetti, party novelties, menus, sales pad, tickets, memo pads, prescription blanks, office supplies, etc.		Exempt	Regular Retail	Regular Retail	Regular Retail	Regular Retail	Exempt
Miscellaneous - Tags, manuals, data sheets, inspection slips, price lists, advertising materials, warranty slips and other items to accompany product mfg. for sale.		Exempt	Regular Retail	Regular Retail	Exempt	Regular Retail	Exempt

106 (Reserved)

35.IV.4.06 revised effective March 1, 2020

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- 105 [The schedule below provides guidance in determining the correct tax treatment when paper dealers sell paper products.](#)~~See the attached schedule Part IV, Appendix 1. This schedule provides guidance in determining the correct tax treatment when paper dealers sell paper products.~~

		When Sold to:					
		Paper Products Retailers (For Resale)	Other Retailers- Grocery stores, restaurants, cafeterias, convenience stores, dept. stores, etc.	Consumer - Product used for individuals or businesses own use, including employees of seller, churches & religious institutions, private schools, colleges, & hospitals, offices, hotels, motels, professionals, etc.	Manufacturers & Processors	Laundries & Dry Cleaners	Government agencies, nonprofit private schools, public schools, nonprofit hospitals & public hospitals.
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