

April 25, 2006

Sales and Use Tax - Printing Aids. CHARGES FOR PRINTING PLATES AND PRINTING PLATE MATERIALS CONSUMED IN THE PRINTING PROCESS ARE TAXABLE. PURCHASES OF MACHINERY AND EQUIPMENT USED IN MAKING THE PLATES ARE ALSO TAXABLE.

Advice has been requested regarding whether amounts billed to a printer for printing plates and printing plate materials are subject to sales and use tax. For the purposes of this ruling, the term printing plate materials is limited to those items that become a component part of the plate itself.

Printing plates that are not suitable for reuse and printing plate materials used to make printing plates which are not suitable for reuse are considered to be consumed by the printer as a supply item. Such plates and plate materials are not resold to the printer's customers and therefore, cannot be purchased by a printer tax-free for resale. Pursuant to Reg-1-057.05 a printer must pay sales or use tax on its purchases of such printing plates and printing plate materials.

The printer must pay tax on any machinery and equipment that is used primarily to make plates that are not suitable for reuse. The printer is not considered a manufacturer because it is making plates that will be consumed by the printer itself. Therefore, such plate-making machinery and equipment does not qualify for the manufacturing machinery and equipment exemption that is otherwise available under Nebraska law.

The provisions of Reg-1-057.06 still apply to a printer's purchase of reusable printing plates and printing plate materials that become part of reusable printing plates that will be resold before use. Under Reg-1-057.06, a printer may purchase reusable printing plates tax-free for resale when the plates are sold to its customer before use. Unless there is a written agreement to the contrary, printing aids will be considered sold before use when the reusable printing aid is separately listed and priced on the invoice to the customer.

A printer is required to collect sales tax on the entire amount billed to its customer for the printed material, including any charge for printing plates or printing plate materials.

APPROVED:



Mary J. Egr Edson
State Tax Commissioner

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