

117-319 Warehousemen

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Sales To: All property purchased for use in operating places of storage are subject to sales or use tax, whichever may apply, including all tickets, labels, receipt forms, heating or cooling equipment, fire protection equipment, pest control supplies and equipment, compressors, containers, and crating materials and any and all other supplies, materials, or equipment purchased for a use incidental to the storing or warehousing of property of any kind of character.

Note, however, that warehousemen may also be engaged in the business of selling, processing, or manufacturing for sale, in which event the supplies and equipment used in such activities will be taxable or not in accordance with the rules applying to the use of property for such purposes.

Sales Made By: Receipts of warehousemen from their services in storing, handling, packing, crating, delousing, etc., property for others are not subject to the sales tax. Any materials used incidental to the rendering of such services are taxable on the sale to the warehousemen.

When, however, warehousemen buy and sell property as a regular course of business such sales, if not otherwise exempted, are subject to the sales tax, including sales of goods held on consignment and including transactions in which the warehouseman acts as a broker selling goods not actually owned by him or in his possession at the time he accepts the order.

Warehousemen are subject to tax with respect to sales of secondhand property forfeited to them in the operation of their warehousing business where such sales are numerous and a substantial amount and where the selling of such secondhand property is a regular and continuous practice. Where such sales of secondhand property are in such number that they might be considered casual, isolated or accommodation sales, they are not required to be reported in sales tax returns filed with this department.

HISTORY: Added by State Register Volume 26, Issue No. 6, Part 2, eff June 28, 2002.