

Tax and Licensing Division
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Tax Compliance Guide

Printers & Printing

(2/2022)

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Printers are primarily engaged in the business of selling tangible personal property in the form of printed matter. As with other tangible personal property, printed matter is subject to sales tax on the purchase price paid, inclusive of the gross value of all materials used, labor and services performed, and the profit thereon. Printed matter is taxable if the purchaser does not resell the articles but uses or consumes them, such as by distributing them at no charge, unless the purchaser is otherwise tax exempt.

Printers must pay Aurora sales/use tax on the purchase of other supplies consumed and prepress preparation materials used by the printer which do not become a constituent part of the finished product, even though such supplies may only be useable for a specific job.

Fabrication Labor & Other Services

Labor or services exerted in the production of an article sold are part of the taxable purchase price of the printed matter, even though the printer may elect to state these charges separately from stock, ink, or other tangible personal property. The gross purchase price of articles sold after production or after having been made to order is taxable, including the gross value of materials, labor, services performed, and profit. This may include, without limitation, setup charges, batch charges, cutting and finishing charges, binding and assembly charges, minimum charges, rush charges, and other similar labor or service fees. Freight, delivery, and transportation charges are also subject to tax.

If separately stated on the invoice, services performed by a printer or its subcontractor for typesetting, design, art, layout, or camera mechanicals are not subject to tax.

Examples

1. A print shop located in Aurora purchases materials and supplies from an out-of-state vendor. The print shop purchases paper, printer's ink, film, screens, blanket wash, flash oil, toner, roller wash, and press wax. The vendor does not collect any sales tax. The print shop must report and remit Aurora use tax on everything except the paper and the printer's ink. The remaining items are consumable supplies of the print shop used in the printing process.
2. A print shop located in Aurora invoices a customer for the design and production of advertising fliers for their business. The print shop invoices \$750 for design/layout of the fliers, a \$100 set-up fee, and \$500 for printing. The \$750 graphic design and layout charge is non-taxable. The print shop will charge sales tax on both the \$100 set-up fee and \$500 printing charge.

Supplies & Materials

Tangible personal property which becomes a constituent part of the finished product may be purchased by the printer tax-free for resale. Examples of such property include:

- ❖ Paper – Stock or newsprint on which the finished product is printed and delivered to the customer.
- ❖ Ink – Printer's ink, ink additives, and overprint varnishes.
- ❖ Chemicals – Anti-offset sprays, fountain etch solutions, gum solutions, and other component chemicals when used with the above materials.
- ❖ Finishing Materials – Padding compounds, stitching, wire and staples, and bookbinding tape.

Related Topics

Freight, Delivery & Transportation
Manufacturing & Fabrication

Citations

Aurora Municipal Code
§ 130-31. Definitions
§ 130-33. Legislative Intent
§ 130-156. Taxable Items
§ 130-160. Responsibility for payment
§ 130-161. Schedule of Taxes
§ 130-196. Levy
§ 130-199. Use tax credit

Contact Us

For additional assistance, please contact us:

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