



Printing & Publishing Industries & New Jersey Sales Tax

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Registration

All businesses are required to register with the State for tax purposes at least 15 business days before starting business. To register, a **Business Registration Application (Form NJ-REG)** must be filed. If the application indicates that the business will collect sales tax or purchase materials for resale, a **New Jersey Certificate of Authority (Form CA-1)** for sales tax is sent to the business. This certificate provides authorization from the State of New Jersey to collect sales tax and accept exemption certificates. A seller **must** always be registered with New Jersey to accept exemption certificates. A Public Records Filing may also be required depending upon the type of business ownership. More information on Public Records Filing is available in the New Jersey Complete Business Registration Package (NJ REG) or by calling 609-292-9292.

Tax-Exempt Purchases

The New Jersey Sales and Use Tax Act specifically exempts from tax the sale of printing and publishing production machinery, apparatus, or equipment used directly and primarily in publishing newspapers. The exemption also applies to the sale of machinery, apparatus, or equipment used by a commercial printer in the production of tangible property for sale. Commercial printers include those businesses engaged in periodical, book, manifold business form, greeting card, or miscellaneous publishing and typesetting; photoengraving; electrotyping and stereotyping; and lithographic platemaking.

Printers and publishers purchase machinery and equipment without paying sales tax by issuing an **Exempt Use Certificate (Form ST-4)** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** to their supplier. However, charges for installation or maintenance contracts for such machinery and equipment are taxable. Supplies used with the machinery as well as wrapping equipment and supplies are also exempt when purchased with Form ST-4 or Form ST-SST.

Some examples of exempt supplies include:

Acids	Paper
Alcohol used as fountain solution	Plates
Blanket wash	Press blankets
Boxes	Press chemicals (etch)
Carbon tissue	Press chemicals (press wash)
Cartons	Printing plates (all types)
Color filters	Proof paper
Color separations	Proofs and proof processing (all types)
Custom dies and die cutting materials	Protective gloves
Dampener sleeves	Reducers
Dampening solution	Roller covering
Developer chemicals	Screen tints
Engravings	Shrink wrap
Film used to photograph printing copy	Thermopowder
Ink	Tissue overlays
Labels	Toners
Latex gum	Transparencies
Lettering	Varnishes
Masking paper	Veloxes
Offset plates	Wood mounts
Opaqueing ink	Wrapping paper
	Wrapping tape

Taxable Purchases

Supplies that are not used directly and primarily in the production process are taxable: for example, stripping knives used to trim negatives or masking paper, filing envelopes used to file negatives, and tape dispensers for wrapping tape.

Out-of-State Purchases

Taxable supplies purchased in another state are subject to a 7% use tax when the supplies are brought into New Jersey, if no sales tax was paid in the state where they were purchased. If the tax paid on an out-of-State purchase was less than New Jersey's 7% sales tax and the other state has sales tax reciprocity with New Jersey, the difference must be remitted to the State of New Jersey as use tax. For more information on use tax, see ANJ-7, *Use Tax in New Jersey*.

Retail Sales

Because printing and publishing services result in the production of tangible property, the seller is required to collect and remit sales tax to the State on the charge for these services. Printing and publishing services purchased by customers in another state for use out of State are not subject to New Jersey sales or use tax if the finished product is delivered out of State by the seller. If the finished product is picked up in New Jersey, the sale is subject to sales tax. For more information on out-of-State sales, see ANJ-10, *Out-of-State Sales & New Jersey Sales Tax*.

Direct-Mail Material and Processing Services

Although sales tax is not imposed on advertising services (creation and design), charges for direct-mail material and direct-mail processing services are subject to tax. Direct mail is defined as printed material delivered by U.S. mail or other delivery service to a mass audience or to addresses on a mailing list provided by the purchaser, where the cost of the items is not billed to the recipients. Direct mail includes tangible personal property supplied by the purchaser *for inclusion* in the package containing the printed material. Direct mail does not include multiple items of printed material delivered to a single address. Receipts from the sale of direct-mail material and the direct-mail processing services performed on material sent to addresses in New Jersey are taxable. However, charges for direct-mail material delivered to out-of-State recipients as well as the direct-mail processing services performed on such material are exempt. Delivery charges, including postage, charged to the customer by the direct mailer are taxable if the processing service is taxable. For additional information, see the "Notice to the Direct-Mail Industry" available at: www.state.nj.us/treasury/taxation/streamnotices.shtml

Sales for Resale

When taxable printing or publishing services are purchased by a customer who intends to resell the product, a seller is not required to collect sales tax if the purchaser issues an appropriate exemption certificate. A purchaser whose business is registered in New Jersey issues a **Resale Certificate (Form ST-3)** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** when making purchases for resale.

Qualified Out-of-State Sellers: Qualified out-of-State sellers may make tax-exempt purchases in New Jersey of goods or services purchased for resale. When the qualified out-of-State seller carries the goods away from the point of sale, or sends its own vehicle or messenger to pick them up in New Jersey, the qualified out-of-State seller may use the **Resale Certificate for Non-New Jersey Vendors (Form ST-3NR)** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)**. "Qualified out-of-State sellers" are sellers that (1) are not registered with New Jersey (2) are not required to be registered with New Jersey and (3) are registered with any other state. An out-of-State seller may not use an ST-3NR unless the purchase qualifies for exemption under New Jersey law. For more information on issuing and accepting exemption certificates, see Tax Topic Bulletin S&U-6, *Sales Tax Exemption Administration*.

For More Information

For more information on printing and publishing industries and New Jersey sales tax, contact the Division's Customer Service Center at 609-292-6400, e-mail us at nj.taxation@treas.state.nj.us, or write to:

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Many State tax forms and publications are available by fax and on our Web site. Call NJ TaxFax at 609-826-4500 from your fax machine's phone, or access the Division's home page at: www.state.nj.us/treasury/taxation/