

# Newspapers, Magazines, Periodicals & New Jersey Sales Tax

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## Introduction

Sales of newspapers, magazines and periodicals (as defined in the New Jersey Sales and Use Tax Act) are not subject to New Jersey sales tax. This publication provides general information for consumers as well as publishers and retailers of printed materials.

## Newspapers

In order for a publication to be considered a newspaper and be exempt from sales tax, it must meet the following conditions:

- Published (printed or written form) periodically at least 50 times a year;
- Available for public circulation (whether or not through paid subscriptions);
- Contain general interest information or reports of current events, original or reprinted articles on a variety of topics, photographs, illustrations, advertising matter, legal notices, comic strips, cartoons, editorial comment or other such subject matter;
- Contain no more than 90 percent of its printed area as advertising;
- Have continuity as to title and the general nature of its content from issue to issue; and
- Not constitute a book, either alone or when successive issues are put together.

Another factor that will be taken into consideration in determining if the publication is a qualified newspaper is whether it has been (or would be) classified as having second class mailing privileges by the United States Postal Service.

The following are some examples of qualified newspapers:

- *The Asbury Park Press*
- *The Star-Ledger*
- *The Wall Street Journal*
- *Burlington County Times*
- *The New York Times*
- *USA Today*
- *Camden County Courier Post*
- *The Philadelphia Inquirer*
- *Barron's*

## Magazines & Periodicals

In order for a publication to be considered a magazine, it must meet the following conditions:

- Published (printed or written form) periodically at least four times a year;
- Available for public circulation (whether or not through paid subscriptions);
- Contain a variety of articles or other information;
- Contain no more than 90 percent of its printed area as advertising;
- Have continuity as to title and the general nature of its content from issue to issue; and
- Not constitute a book, either alone or when successive issues are put together.

Another factor that will be taken into consideration in determining if the publication is a qualified magazine or periodical is whether it has been (or would be) classified as having second class mailing privileges by the United States Postal Service.

The following are some examples of qualified magazines and periodicals:

- *National Geographic* (monthly)
- *TV Guide* (weekly)
- *People Magazine* (monthly)
- *Superman* (comic books)
- *Reader's Digest* (monthly)

## Taxable Publications

Publications that do not qualify as a newspaper, magazine or periodical are taxable. The following are examples of taxable publications:

- Advance sheets of court reports
- Business reports for employees
- Annual reports
- Guides or handbooks
- Books or novels
- Store catalogs

**Collectibles**

Sales of newspapers, magazines and periodicals that sell for more than the original selling price are deemed to be sales of collectible items and are subject to sales tax. If the newspaper, magazine or periodical sells for the same price or less than it did when new, then sales tax would not be due provided the item was exempt when originally sold. For example, a first edition of a *Superman* comic book, sold for more than the original price, would be subject to sales tax as a collectible.

**Sales and Giveaways**

Publishers sometimes offer subscribers the opportunity to purchase items in connection with their subscription. For example, the publisher provides the subscriber with the option to *buy* a company sports bottle. If stated separately on the bill, the charge for the sports bottle itself is taxable, but the subscription is exempt. When purchasing merchandise intended for resale, the publisher issues a Resale Certificate, Form ST-3, to the supplier and does not pay sales tax. The publisher collects sales tax from the subscriber on sales of taxable items and remits the tax to the State.

When a business purchases taxable items to be used as promotional items and/or giveaways, the business must pay sales tax on those items. For example, if the publisher gives the subscriber a coffee mug with the publisher's logo on it *free of charge* which the subscriber gets to keep after the subscription runs out, no sales tax is due. The publisher pays sales tax on the coffee mugs when they are purchased.

If the business purchases items with a Resale Certificate (Form ST-3) which later are used as promotional items and/or giveaways, the business owes use tax on the purchase price of the item(s). For more information, request ANJ-7, *Use Tax in New Jersey*, and Tax Topic Bulletin S&U-6, *Sales Tax Exemption Certificates*.

**Display Racks/Cases**

When the publisher provides a retail vendor with the use of a taxable item (e.g., a display rack) which must later be returned, the sales and use tax treatment depends on whether or not there is a charge for using the item. For example, if the publisher does not charge the vendor for the use of the display case or rack, the publisher does not charge the vendor sales tax. However, the publisher owes sales or use tax on the cost of a display case or rack delivered to a location in New Jersey. If there is a separate charge for the use of the display case or rack, then the tax due on this transaction depends upon whether the transaction is a lease or a rental. For more information, request Tax Topic Bulletin S&U-12, *Leases and Rentals*.

**Other**

**Advertising.** Advertising services for use directly and primarily for publication in newspapers, magazines and periodicals are exempt from sales tax. Likewise, the sale of advertising material to be published in newspapers is exempt. Charges for the sale of the advertising space are exempt from sales tax.

**Printing and Publishing.** The sale of machinery, apparatus or equipment used directly and primarily in publishing newspapers is exempt from sales tax. This exemption also applies to the sale of such machinery, apparatus or equipment used by a commercial printer in the production of tangible property such as periodicals, books, forms, cards, etc., for sale. The printer's exemption also applies to supplies used with the machinery as well as wrapping equipment and supplies. Printers and publishers may purchase these items without paying sales tax by issuing a New Jersey Exempt Use Certificate, Form ST-4.

For more information, request Tax Topic Bulletin S&U-9, *Business Purchases*, and ANJ-18, *Printing & Publishing Industries & New Jersey Sales Tax*.

**For More Information**

For more information on newspapers, magazines and periodicals and New Jersey sales tax, contact the Division's Call Center at 609-292-6400, or write to:

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Many State tax forms and publications are now available, both by fax and through the World Wide Web. Call NJ TaxFax at 609-826-4500 from your fax machine's phone or access the Division's home page via your computer's modem at: <http://www.state.nj.us/treasury/taxation/>