

# Professional Photographers & New Jersey Sales Tax

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## Business Purchases

The purchase, lease, or rental of cameras, lenses, filters, tripods, processing equipment, and lighting equipment used by a professional photographer is exempt from New Jersey sales tax as equipment used directly and primarily in the production of tangible personal property. Under the manufacturing exemption, replacement parts with a useful life greater than one year are also entitled to an exemption. In addition, chemicals for processing film are exempt from sales tax under the catalyst exemption. Purchases of qualified equipment and processing chemicals may be made with a valid **Exempt Use Certificate (Form ST-4)**. Purchases of replacement parts with a useful life of one year or less and supplies, however, are taxable. See N.J.S.A. 54:32B-8.13(a) and N.J.S.A. 54:32B-8.20.

Film which becomes positive photographs after processing (such as slides, transparencies, and “instant” contact prints) that are transferred to the customer **and** become the property of the customer may be purchased without paying sales tax. In this case the film is being purchased for resale and the photographer issues to the supplier a valid **Resale Certificate (Form ST-3)**. Purchases of flash bulbs, camera batteries, and like supplies are subject to sales tax, including film which produces a negative image that must then be developed into a photograph.

## Sales

### RETAIL SALES

Sales of portraits, photographs, motion pictures, slides, frames, photograph albums, picture postcards, and brochures are subject to sales tax as sales of tangible personal property.

### NEWSPAPERS AND PERIODICALS

Sales of photographs in newspapers, magazines, periodicals, and other publications are taxable. However, sales or licenses to use photos as **advertising** in newspapers or periodicals are specifically exempt from sales tax. The photographer must obtain an **Exempt Use Certificate (Form ST-4)** from the customer when photos are sold for use in newspaper or magazine advertising.

### SALES FOR RESALE

When services and photographs are purchased by a customer who intends to resell the photos, the photographer is not required to collect sales tax, provided the purchaser issues a valid **Resale Certificate (Form ST-3)**.

When purchasing supplies and equipment specifically as inventory for resale, the photographer may issue a valid **Resale Certificate (Form ST-3)** to the supplier and not pay sales tax. Supplies removed from inventory for the photographer’s personal use are subject to **use tax**. Use tax is remitted to the State on the monthly sales tax return (**Form ST-51**) or quarterly sales tax return (**Form ST-50**). For more information on use tax, see ANJ-7, *Use Tax in New Jersey*.

### ELECTRONIC TRANSMISSION

If a photograph is either scanned, taken with a digital camera, or computer-generated and then transmitted solely by e-mail or other form of electronic transmission, the transaction is treated as the sale of intangible property, which is not subject to tax.

## Out-of-State Sales & Purchases

If photographs are delivered by the photographer outside New Jersey for use by the purchaser outside this State, no sales tax is due. If the buyer directs the photographer to deliver the photographs to a New Jersey location, the photographer must collect New Jersey sales tax. This is true regardless of whether or not the photos are subsequently taken out-of-State by the purchaser. For more information, see ANJ-10, *Out-of-State Sales and New Jersey Sales Tax*.

When taxable items are purchased out-of-State for use in New Jersey and no sales tax is collected, **use tax** must be paid to the State of New Jersey based on the purchase price of the items. If sales tax is collected at a rate lower than New Jersey’s and the other state has sales tax reciprocity with New Jersey, then the amount of **use tax** due is the difference between the amount of sales tax paid to the other state and the amount of sales tax that would have been charged at New Jersey’s sales tax rate.

**Services &  
Other Charges**

Charges for retouching photographs are subject to sales tax. Developing negatives from film furnished by a customer is also subject to tax.

Travel expenses, hours worked, or any method of computing the total charge to customers is subject to sales tax. These charges are considered a part of the price of the taxable tangible personal property for sale.

Postage and shipping charges are considered part of the sales price and are subject to sales tax if the items sold are subject to tax. Postage and shipping charges on nontaxable items are exempt from tax.

**Records**

All exemption certificates and records of out-of-State deliveries should be kept for four years in case of an audit by the New Jersey Division of Taxation.

**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 issue or accept exemption certificates. A seller must always be registered with the State 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.

**For More  
Information**

For more information on professional photographers 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](mailto:nj.taxation@treas.state.nj.us), or write to:

NEW JERSEY DIVISION OF TAXATION  
INFORMATION AND PUBLICATIONS BRANCH  
PO Box 281  
TRENTON NJ 08695-0281

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/](http://www.state.nj.us/treasury/taxation/)