

Excise Tax Advisory

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Newspaper Supplements

Are charges by printers for printing newspaper supplements subject to retail sales tax when the supplements are distributed separately from the newspaper?

WAC 458-20-143 (Rule 143) provides in pertinent part as follows:

sales by printers of printed publications to publishers for sale, are sales for resale and are not subject to the retail sales tax. (Emphasis supplied.)

This means that printing charges for printing "newspapers" are not subject to retail sales tax, the reason being that such "newspapers" are resold to subscribers or through retail distribution outlets. The exemption is equally applicable to supplements of newspapers whether they are magazine sections, or advertising sections so long as they are labeled and identified as part of the newspaper publication. For purposes of this exemption it is immaterial that such supplements may be circulated or distributed separate and apart from the newspaper publication itself so long as such distribution is within the general circulation area of the newspaper.

Thus, trade shops or printers engaged by newspaper publishers on production of newspapers, or any component parts thereof, are not required to collect retail sales tax on the charges for such contract work.

Retail sales or use tax will be assessed to persons other than newspaper publishers (including advertisers themselves) who purchase supplements for their own use or distribution.

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