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## Tax Compliance Guide

### Printers & Printing Topic 354

(10/2006)

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Printers are primarily engaged in the business of manufacturing and 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 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.

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#### Manufacturing Labor & Other Services

Labor or services expended in the production of the 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. With only a few exceptions, any labor or services performed to create a finished, made-to-order product are subject to tax. These charges 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 charges. Freight, delivery, and transportation charges are also subject to tax.

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

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#### 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 – Printers 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 book-binders tape.

Printers must pay Westminister sales/use tax on the purchase of other supplies 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.

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#### Examples

1. A Westminister print shop is purchasing 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 & remit Westminister use tax on everything except the paper and the printer's ink.

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#### Related Topics

Freight, Delivery & Transportation  
Manufacturing & Fabrication

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#### Citations

*Westminister Municipal Code*  
§ 4-2-2. Definitions  
§ 4-2-3. Rate; Imposition and Collection; Distribution  
§ 4-2-5. Transactions & Items Subject to Tax

THIS GUIDANCE IS A SUMMARY IN LAYMEN'S TERMS OF THE RELEVANT WESTMINSTER TAX LAW FOR THIS TOPIC, INDUSTRY, OR BUSINESS SEGMENT. IT IS PROVIDED FOR THE CONVENIENCE OF TAXPAYERS AND IS NOT BINDING UPON THE CITY. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE WESTMINSTER MUNICIPAL CODE AND APPLICABLE RULES AND REGULATIONS. THIS GUIDE DOES NOT CONSTITUTE A CITY TAX POLICY.

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#### Contact Us

For additional assistance, please contact us:

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