

# City and County of Denver, Colorado

## TAX GUIDE

### *Topic No. 63*

# PRINTING INDUSTRY

Printers are primarily engaged in the business of selling tangible personal property in the form of printed matter. The full purchase price of the print job is subject to sales tax. The purchase price includes the gross value of all materials, labor or service, overhead, and profit included in the final charge to the consumer. A job that is solely labor (e.g., layout) would not be taxable.

There are two definitions which affect the taxability of purchasing items, materials and supplies by a printer. The first is the general wholesale sale definition. "Wholesale sale" means a sale by a wholesaler to a retailer, jobber, dealer, or other wholesaler for resale and does not include a sale by a wholesaler to a user or consumer not for resale. In addition to the wholesale sale provision there is a specific exemption for printers purchasing "prepress preparation materials". The purchases of these items by printers are exempt provided the items or supplies are used to fill customer's printing orders, which are eventually sold to a customer, either in their original purchased form or in an altered form and a sales or use tax is demonstrably collected from the printer's customer, if applicable, either separately from the printed materials or as part of the inclusive price therefor.

Materials sold to a printer which are used by the printer for the printer's own purposes, and are not sold, either directly or in an altered form, to a customer, are subject to taxation.

Examples of prepress preparation materials that are exempt from taxation include, but are not limited to:

### **PREPRESS PREPARATION MATERIALS**

AIRBRUSH COLOR  
PHOTOS-  
COLOR KEYS-  
DIES-  
ENGRAVINGS-

LIGHT-SENSITIVE  
PAPER-  
LIGHT-SENSITIVE  
FILM MASKING  
MATERIALS- MYLAR-  
PLATES-

PROOFING  
MATERIALS-  
TAPE (if resold)-  
TRANSPARENCIES-  
VELOXE

Purchases of items, which are not considered prepress preparation materials and are consumed by a printer in the performance of print jobs, are subject to sales or use tax. Examples of such items include, but are not limited to, the following:

### **Materials that are neither prepress items nor items that would be considered wholesale purchases**

ALCOHOL  
REPLACEMENT

BLANKET  
CONDITIONER

BLANKET SAVER  
BLANKET WASH

BLANKETS  
BLENDER SOLUTION  
DISKS AND DAT TAPES  
FILM / PLATE  
DEVELOPER  
FILM DEVELOPING  
FINISHER FIXER

FOUNTAIN  
SOLUTION PRESS  
OIL  
GREASE  
ISOPROPYL ALCOHOL  
KODAK CONTROL  
STRIPS PAPER STOP  
PLATE CLEANER  
PLATE FINISHER  
PLATE PRESERVER  
PLATE SAVER

PRESS WAX  
PACKING SHEETS  
REGISTER PINS /  
PUNCHES REPLENISHER  
ROLLER WASH  
SCRATCH REMOVER  
TONER  
CARTRIDGES\*\*  
WATER DUCTOR

\*\* TONER WHEN PURCHASED IN BULK FOR THE PRODUCTION OF HIGH SPEED COPIES FOR RESALE WOULD BE EXEMPT UNDER THE WHOLESALE EXEMPTION.

### EXAMPLE

ABC Print Shop, a Denver printer, has a job to print 5,000 brochures for XYZ Bank, a bank in Denver. In order for ABC to complete the job, it must purchase the following supply items from DEF Supply House: transparencies, toner cartridges, alcohol replacement, and plate finisher. Since ABC is properly licensed to collect and remit Denver sales tax, its purchases from DEF of the transparencies qualify for the prepress materials exemption. ABC's purchases of toner cartridges, alcohol replacement, and plate finisher are subject to taxation.

### RELATED TAX GUIDE TOPICS

Advertising Agencies  
Graphic Design and Composition

### REFERENCES

- \* DRMC Section 53-24(19) Definitions – Prepress Preparation Material - Sales
- \* DRMC Section 53-24(21) Definitions – Purchase Price – Sales
- \* DRMC Section 53-24(40) Definitions – Wholesale Sale
- \* DRMC Section 53-25(1) Imposition of Tax - Sales
- \* DRMC Section 53-26(17) Exemptions – Prepress Preparation Material - Sales
- \* DRMC Section 53-95(22) Definitions – Prepress Preparation Material - Use
- \* DRMC Section 53-95(24) Definitions – Purchase Price - Use
- \* DRMC Section 53-95(46) Definitions – Wholesale Sale
- \* DRMC Section 53-96(1) Imposition of Tax - Use
- \* DRMC Section 53-97(18) Exemptions – Prepress Preparation Material – Use

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.

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