

+ Sales Tax on the Products of Photoprocessing

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TO: Retailers of Products of Photoprocessing	Who Must Collect the Tax?	photos sold by a free-lance photographer for use in a magazine, newspaper, book, etc.	Which Sales are Not Taxed?
Professional Photographers	If you sell photoprocessing products at retail, you must collect this tax.	baby or family photos sold through a department store	school photos
Manufacturers, Suppliers, & Retailers of Photographic Supplies & Equipment	Photoprocessing products include photos, negatives, motion pictures and slides. Custom video tapes are not included. (Blank tapes and prerecorded programs are already taxed under the Retailers' Occupation Tax and Use Tax Acts.)		

If you are not in this group of taxpayers, please disregard this notice.

Effective September 1, 1988, the sale of the products of photoprocessing, including photographs, negatives, motion pictures and slides is subject to Illinois retailers' occupation tax based on the full selling price. You should include these sales as taxable receipts on Line 1 of your RR-1-A return and pay the tax collected to us.

Which Sales are Taxed?
 If you sell photoprocessing products to members of the general public for their use (i.e. to someone who will not resell them), you are selling at retail.
 Some examples of retail sales are:

- photos sold directly to a customer by a drug store, photo shop, etc., which provided or arranged for photoprocessing of film or negatives
- wedding photos or portraits taken by a professional photographer

If you sell to someone who intends to resell the photos, negatives, or slides to someone else, you are selling for resale and you should not collect tax. The reseller must be registered and have an Illinois business tax number or be an out-of-state retailer selling exclusively out of state.

- Some examples of resellers are:
- a photoprocessing lab that develops photos for a drug store to sell to customers
 - a photo store that makes a print from a negative for a photographer who will resell it to a customer

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What if Film is Dropped Off Before September 1, but Picked Up After September 1?

Tax is charged when the purchase is picked up or delivered to the retail customer. So, even if the film is dropped off before September 1, you must collect tax on photos, negatives, or slides picked up on or after September 1.

Is Film Taxable?

Yes, if the film is to be used to produce photos that are for personal use (and not for resale).

Yes, if the photos will be for resale, but the negatives will not be sold with the photos.

No, if the negatives will be sold with the photos.

Are Cameras, Lenses & Other Photographic Equipment Taxable?

Yes, cameras, lenses and other photographic equipment are taxable, as they always have been.

Are Supplies Such as Photographic Paper & Slide Mounts Taxable?

Yes, if the resulting photos, negatives, and slides will not be for sale.

No, if the resulting negatives or slides will be for sale.

Are Photoprocessing Chemicals Taxable?

Yes, chemicals are taxable, as they have always been.

Are Sales of Photoprocessing Machinery and Equipment Taxable?

Yes, if the machinery or equipment will be used by hobbyists who make their own prints, but do not sell them.

No, if it will be used to produce photos, negatives, or slides that will be sold at retail or resale. This equipment is tax-exempt if it is delivered on or after September 1, 1988. Some examples of equipment included as manufacturing equipment are: developers, dryers, filters, enlargers, and repair and replacement parts for exempt equipment.

Rules to be Filed by September 1

Emergency rules for administering this new tax will be filed by September 1. Copies will be available through:

Illinois Secretary of State - Administrative Code Division
219 West Monroe
Springfield, IL 62756.

Registering as a Retailer

If you sell photos, negatives or slides at retail and are not a registered retailer in Illinois you must register. For information on registering, contact:

Central Registration
P.O. Box 19030
Springfield, IL 62794
Phone: 217 785-3707

Questions?

If you have questions, you may contact us at the address and phone numbers at the bottom of this page.

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FOR INFORMATION

CALL: 1 800 732-8866 or
1 217 782-3336
WRITE: Illinois Department of Revenue
101 W. Jefferson St., P.O. Box 19044
Springfield, IL 62794-9044
