

Line Item– taxable or not?		Notes
All parts that are resold to customer	yes	taxable to customer
Wheel Weights	no	Effective July 1 2017 items defined as shop supplies are exempt at purchase; taxable to customer as Shop Supply line item
Alignment shims	no	similar to wheel weights.
Wheel bearing grease	no	similar to wheel weights.
Shop Supplies	no	Effective July 1 2017 items defined as shop supplies are exempt at purchase; taxable to customer as Shop Supply line item
Miscellaneous Charge	yes	small items a shop may buy
Waste Tire Disposal Fee	yes	When selling new tires. No, if not part of sale of new tires
State Recycle Fee	no	similar to tire tax, state fee
Environmental charges	yes	taxable to customer; fee in connection with the sale of tangible personal property
Fuel Surcharge- products delivered to shop	no	no if you also have a freight charge on your invoice; if not, this should be taxable to you
Freight charge-products delivered to shop	no	when you are shipped an item, and freight charge is itemized out, no tax
Road Service call	yes	if any new product is part of transaction- tire, tube, battery, etc.
Road Service call	no	if mounting spare, jump starting, etc. with no tangible product sold
Diagnostic charge	no	if only diagnosis and give customer a quote; no parts installed
Diagnostic charge	yes	if new part is installed as a result of the diagnosis
auto service labor	no	considered exempt labor
towing	no	unless a tangible product is installed on the tow call, then tow charge is taxable
Federal Excise Tax on Truck tires	yes	considered part of the new tire cost
tire repair	no	considered labor to customer. Shop supplies to account for solvent, patch, glue etc. would be taxable to the customer

repairs sublet from another shop	yes	if itemized out parts/labor sub contracted, tax only on parts
repairs sublet from another shop	yes	if not itemized out the total cost, with no breakdown, entire amount is taxable
tire protection plans	yes	charge customer tax on total amount
extended warranty plans	yes	charge customer tax on total amount
items shop buys and is end user	yes	include: light bulbs, office supplies, small tools, protective items (gloves, earplugs, etc.)
items shop buys and is end user	yes	cutting bits for brake lathe, tire guages, air chuck, bead breaker, tire iron, equipment
Tire Repair materials- patch, cement	no	Effective July 1 2017 items defined as shop supplies are exempt at purchase; taxable to customer as Shop Supply line item
Solvents/Chemicals	no	Effective July 1 2017 items defined as shop supplies are exempt at purchase; taxable to customer as Shop Supply line item
Headlight Cleaning kits	yes	unless shop buys and resells as separate line item on invoice to customer.
Company vehicle repairs	yes	parts and tires put on a company vehicle are taxed
HVAC Maintenance Contract for shop	yes	if replacing filters is included, full cost of contract is taxable
Computer Maintenance Contract for shop	yes	yes on Hardware; yes if software updates are tapes, DVD, etc.
Computer Maintenance Contract for shop	no	if software updates are web based
Advertising items	yes	keychains, ice scrapers, pens, etc., shop pays tax at purchase
Shop sells to Churches	no	tax exempt-must have certificate on file
Shop sells to State Agencies	no	tax exempt-must have certificate on file
Retread Materials	no	part of manufacturing process
Retread Supplies	no	part of manufacturing process
Customer Satisfaction Merchandise	yes	vendor pays if the merchandise is at no charge