



# Professional Photographers & New Jersey Sales Tax

Publication ANJ-2

## **Business Purchases**

The purchase, lease, or rental of cameras, lenses, filters, tripods, processing equipment, and lighting equipment used by a professional photographer is exempt from New Jersey Sales Tax as equipment used directly and primarily in the production of tangible personal property. Under the manufacturing exemption, replacement parts with a useful life greater than one year are also entitled to an exemption. In addition, chemicals for processing film are exempt from Sales Tax under the catalyst exemption.

Purchases of qualified equipment and processing chemicals may be made with a completed **Exempt Use Certificate** ([Form ST-4](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)). The purchaser must complete all fields on the exemption certificate in order to claim the exemption. Purchases of replacement parts with a useful life of one year or less and supplies, however, are taxable. See [N.J.S.A. 54:32B-8.13\(a\)](#) and [N.J.S.A. 54:32B-8.20](#).

Film that, after processing, becomes positive photographs (such as slides, transparencies, and "instant" contact prints) that are transferred to the customer **and** become the property of the customer may be purchased without paying Sales Tax. In this case, the film is being purchased for resale and the photographer gives the supplier a completed **New Jersey Resale Certificate** ([Form ST-3](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)). Purchases of flash bulbs, camera batteries, and like supplies are subject to Sales Tax, including film that produces a negative image that must then be developed into a photograph.

## **Sales**

### **Retail Sales**

Sales of portraits, photographs, motion pictures, slides, frames, photograph albums, picture postcards, and brochures are subject to Sales Tax as sales of tangible personal property.

### **Newspapers and Periodicals**

Sales of photographs in newspapers, magazines, periodicals, and other publications are taxable. However, sales or licenses to use photos as **advertising** in newspapers or periodicals are specifically exempt from Sales Tax. The photographer must get a completed **Exempt Use Certificate** ([Form ST-4](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)) from the customer when photos are sold for use in newspaper or magazine advertising.

### **Sales for Resale**

When services and photographs are purchased by a customer who intends to resell the photos, the photographer is not required to collect Sales Tax as long as the purchaser provides a completed resale certificate.

When purchasing supplies and equipment specifically as inventory for resale, the photographer may give a completed **New Jersey Resale Certificate** ([Form ST-3](#)) or **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)) to the supplier and not pay Sales Tax. Supplies removed from inventory for the photographer's personal use are subject to Use Tax. Use Tax is remitted to the State on the monthly Sales Tax remittance ([Form ST-51](#)) or quarterly Sales Tax return ([Form ST-50](#)). For more information on Use Tax, see publication [ANJ-7](#), *Use Tax in New Jersey*.

### **Electronic Transmission**

If a photograph is either scanned, taken with a digital camera, or computer-generated and then transmitted solely by email or other form of electronic transmission, the transaction is treated as the sale of intangible property, which is not subject to tax.

## **Out-of-State Sales & Purchases**

If photographs are delivered by the photographer outside New Jersey for use by the purchaser outside this state, no Sales Tax is due. If the buyer directs the photographer to deliver the photographs to a New Jersey location, the photographer must collect New Jersey Sales Tax. This is true regardless of whether or not the photos are subsequently taken out of state by the purchaser. For more information, see publication [ANJ-10](#), *Out-of-State Sales and New Jersey Sales Tax*.

When taxable items are purchased out of state for use in New Jersey and no sales tax is collected, **Use Tax** must be paid to the State of New Jersey based on the purchase price of the items. If Sales Tax is collected at a rate lower than New Jersey's and the other state has Sales Tax reciprocity with New Jersey, then the amount of **Use Tax** due is the difference between the amount of Sales Tax paid to the other state and the amount of Sales Tax that would have been charged at New Jersey's Sales Tax rate.

## **Services & Other Charges**

Charges for retouching tangible photographs are subject to Sales Tax. Developing negatives from film furnished by a customer also is subject to tax.

Travel expenses, hours worked, or any method of computing the total charge to customers is subject to Sales Tax. These charges are considered a part of the sales price of the taxable tangible personal property for sale.

Postage and shipping charges are considered part of the sales price and are subject to Sales Tax if the items sold are subject to tax. Postage and shipping charges on nontaxable items are exempt from tax.

## **Records**

All exemption certificates and records of out-of-state deliveries should be kept **for four years** in case of an audit by the New Jersey Division of Taxation.

## **Registration**

New Jersey law requires all businesses to register with the State for tax purposes at least 15 business days before starting business. To fulfill the registration obligation, you must file a **Business Registration Application** ([Form NJ-REG](#)). You can file Form NJ-REG [online](#) through the Division of Revenue and Enterprise Services' NJ Business Gateway Services website. If your application indicates that the business will collect Sales Tax or purchase materials for resale, the Division of Revenue and Enterprise Services will send you a **New Jersey Certificate of Authority (Form CA-1)**.

This is your authorization to collect New Jersey Sales Tax and accept exemption certificates. You **must** be registered with New Jersey to accept exemption certificates. You also may be required to make a Public Records Filing depending on the type of business ownership. More information on Public Records Filing is available in the New Jersey Complete Business Registration Package (NJ REG) or by calling 609-292-9292.

## **For More Information**

For more information, contact the Division's Customer Service Center at 609-292-6400 or [email](#) us. Many State tax forms and publications are available on our [website](#).