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# State Variations in the Sales Tax Treatment of Construction Contracts

*By Julie Bogle*

Julie Bogle discusses the tax factors that construction contractors must consider when providing services in various states.

There are many differences in the ways states treat the various activities in which a construction contractor may be engaged. Although as a general rule in most states the sale of real property is not subject to sales tax, the definition of what is and isn't real property varies widely from state to state. In addition, there are a number of states that tax portions of real property construction and services associated with various aspects of real property construction, depending on how the contractor bills the project, the nature of the underlying project, or for whom the project is undertaken.

Because construction contracts are nearly always bid on a tight timeline in advance of the project, construction contractors have a difficult job when competing for projects across state lines. They must know whether they will need to pay sales tax on the materials and services incorporated in their jobs (and to which state) or whether they can pass the sales tax on to the project owners. They must know how the pricing structure they use for the contract itself will affect the tax costs the contractor must bear. They must know what the sales tax rates and filing requirements are in various states, counties, cities, localities, transportation districts and other localities in which they build.

Because contractor margins are tight, competition can be fierce, and labor and materials costs for a particular project may be millions of dollars, failure to understand the sales tax laws affecting a project can have disastrous consequences for an unwary contractor competing across state lines. This problem is especially acute for specialty contractors whose expertise results in their having the opportunity to perform relatively few contracts in any one state. Instead, their



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special abilities are in demand in a large number of states on an ongoing basis.

## What Is Real Property?

Determining what aspects of a construction contract are and are not real property is important in determining the tax treatment of the project. In most states, real property construction itself is not taxable whereas the tax treatment of other aspects of a construction contract may be subject to sales tax. Therefore, analysis of the sales tax treatment of a construction contract typically begins with a determination of what is and isn't real property as defined by the tax laws of a particular state.

In general, true *real property* includes land, land improvements and the types of structures we typically think of as buildings.<sup>1</sup> Depending on the state, however, real property may include or may be differentiated from materials incorporated into a building, a fixture, a trade fixture, or machinery and equipment.

In general, *materials* are items that lose their identity once they are incorporated into real property.<sup>2</sup> Common examples include wood, nails, screws, metal supports and concrete. In most states, the contractor is considered the consumer of materials used in the project and must pay tax when buying them. Once these items are affixed they become part of the real property structure and are treated thereafter as real property.

*Fixtures* generally refer to items that become part of real property after it is constructed but remain identifiable even after they are affixed. Examples include sinks, heaters, furnaces and cabinetry.<sup>3</sup> States' sales tax treatment of fixtures varies widely and may depend on a number of factors.

Whether a fixture is considered part of a real property project and thus not subject to sales tax or whether it remains taxable tangible personal property even after incorporated into real property may depend on how well the property is attached.<sup>4</sup> This is a generally a very fact-specific analysis that may not be spelled out under a particular state's statutes, but instead has been left to administrative or court decisions. Under Ill. Dept. of Rev. No. ST 98-0324-GIL (Oct. 19, 1998), for example, the Illinois Department of Revenue said that, "The determination of whether [the items at issue] are intended by the parties to be permanently attached to real estate depends on the circumstances of each installation."

In some states, whether a fixture is attached enough to be considered a real property improvement rather than the sale of tangible personal property depends on three factors:

- whether the property is actually affixed to underlying real estate (or the ground)
- whether the property has been applied or adapted to the use or purpose to which the real property is devoted
- whether the person making the annexation to the property intends it to be permanent, taking into consideration such factors as the size, weight and cost of removal, as well as whether structures of this type are typically removed.<sup>5</sup>

In many states, the physical method by which the property is attached can be dispositive.<sup>6</sup> Other factors that may be considered include permits and licensing requirements for the property being installed and legal agreements describing the nature of the property.<sup>7</sup> Because these factors are dependent on case-specific facts, contractors must understand the nuances of each state's rules and then carefully analyze the details of every project.

In contrast to fixtures, the tax treatment of *trade fixtures* is dependent not on how the items are attached or long they're intended to remain but on how the fixtures are used.<sup>8</sup> In general, trade fixtures are building components that are attached to the underlying real estate but have a primary purpose of supporting the business process rather than a building function.<sup>9</sup> In many states, ordinary building fixtures are not subject to sales tax while trade fixtures are subject to sales tax.<sup>10</sup> Similarly, *machinery and equipment* are items that relate to and support a business operation. Although they, like trade fixtures, may be affixed to the underlying real estate, generally these items are considered tangible personal property and are taxed as such.<sup>11</sup>

The problem for contractors is that states vary widely in which items are treated as nontaxable materials or building fixtures versus which are considered taxable trade fixtures or machinery and equipment. Areas in which states vary widely include such common building components as cabinetry, communications cabling, signage, alarm systems, window treatments, and various types of flooring.<sup>12</sup> Most construction contracts will include at least some of these problem components. In addition, in some cases the treatment of these items may depend on the owner's use of the building and equipment at issue, which a contractor may not fully understand.<sup>13</sup>

## Real Property Construction

### States that Vary By Type of Project

In most states, whether a construction activity is subject to sales tax or not does not depend in whole on whether the project is commercial or residential. In some states, though, the sales and use tax treatment of a contract depends on whether the contract is for a residential project or a commercial one. In Mississippi, for example, prime contractors must pay a contractor's tax of 3.5 percent on all nonresidential activities where the total contract price or compensation received exceeds \$10,000.<sup>14</sup>

In other states, even though determination of the contract as a whole does not depend on whether the building will be used for commercial or residential purposes, whether particular assets included in the project are considered real property improvements or the sale of tangible personal property may depend on whether the building will be used for commercial or residential purposes.<sup>15</sup> Whether multifamily residential properties are considered commercial or residential may also vary from state to state.<sup>16</sup>

Contractors who perform contracts in other states must be aware that the general rules can change depending on the type and use of the building being built.

### States that Vary By the Way the Project is Priced

In many states, the way the building is priced has no effect on the tax treatment of the job.<sup>17</sup> In other states, however, the sales or use tax due for a given job can vary according to the pricing structure used.<sup>18</sup> Pricing structures include lump-sum contracts, cost-plus contracts and time and materials contracts.

*Lump-sum contracts* provide that a particular job will be completed for a single price that is not broken down into separate amounts for materials, services and other contract components. *Cost-plus contracts* provide that a contractor's costs of materials and labor incorporated into the building project will be reimbursed with a profit and overhead fee charged separately. A cost-plus contract may, for example,

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provide that the contractor will be paid his cost of all materials and labor plus an overhead fee of 10 percent. *Time and materials contracts* typically list and provide a cost for the various building components and labor separately. Sales tax may be added as a separate line item in the contract. Amounts shown for labor and materials are generally marked up to include the contractor's profit and overhead, although the contractor's profit and overhead may also be separately listed.

In states in which the pricing structure matters, contractors performing services under lump-sum contracts are not required to collect sales tax but must pay sales or use tax on their purchase of materials that will be incorporated into the project.<sup>19</sup> Contractors working under a time and materials contract, however, are often treated

as retail merchants for all of the assets included in the project.<sup>20</sup> Thus, they may purchase the construction materials free from sales tax but must collect sales tax on the construction materials used from the purchaser of the project.<sup>21</sup>

It is crucial for contractors to be aware that pricing structure may affect sales tax treatment of a project. Contractors coming from home states where pricing structure doesn't matter may be surprised to learn that their standard pricing format can create sales tax liabilities beyond their expectations. Similarly, contractors coming from home states where pricing structure does matter may be bargaining for a sales tax treatment they are not going to be allowed to benefit from.

### States that Vary By Type of Contractor

In most states it makes no difference whether a person engaged in real property construction is a prime contractor or a subcontractor.<sup>22</sup> In these states, any party creating or attaching materials to real property is either responsible for collecting sales tax or paying sales or use tax on the portion of a project for which they are responsible.<sup>23</sup> In some states, though, even though subcontractors may be the installers of materials into a real property project, only prime contractors are responsible for collecting and remitting sales tax on building projects.<sup>24</sup>

Determining whether a contractor is required to collect and remit sales tax on a particular project, then, requires that the contractor determine whether it is a prime contractor or a subcontractor. For some construction projects, this is not as straightforward as it may at first appear. In Arizona, for example, a prime contractor is defined as one who “performs, coordinates or supervised construction work. The prime contractor is the person responsible for the completion of the contract.”<sup>25</sup> When there is no general contractor on a particular job and the owner of the building contracts directly with a variety of contractors for different aspects of the project, it may be difficult for contractors to determine whether they are prime contractors or subcontractors and thus whether they should collect sales tax on their work. This difficulty may be especially acute for an out-of-state contractor. In addition, subcontractors going into a state such as Arizona where they would not be required to pay use tax on their materials or collect sales tax on their installations will be at a disadvantage if they build these costs into their bid prices before the project begins.

### Use Tax

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In addition to knowing whether and how much sales tax to charge on a given construction contractor, construction contractors must also know whether and how much use tax to pay on a particular construction contract in a particular locale.

In general, when engaging in real property construction, contractors are considered the “consumers” and thus are taxed on the purchase of all property that becomes real property when installed or made permanent through real property construction activities.<sup>26</sup> If contractors engaged only in real property construction, then, they could simply pay sales tax on everything they buy.

Construction contractors are also, however, retailers when they install property that remains personal even after it is affixed.<sup>27</sup> They must charge sales tax to the purchaser of the property, and thus are entitled to buy the property free from sales tax.<sup>28</sup>

When contractors buy materials they sometimes don’t know whether that property will be used in real property construction or whether it will be resold. (An example is cabinetry that could be used in either a commercial or residential setting in a state in which the setting makes a difference.) Thus, they

don’t know whether they will owe sales or use tax on the property when purchased. If they pay sales tax on everything they buy, there are a number of situations where they will have overpaid tax and thus will be at a pricing disadvantage when bidding jobs in other states.

In many states, contractors are permitted to choose whether to pay sales tax at the time construction materials are purchased or use tax when those materials are incorporated into real property.<sup>29</sup> In states such as Indiana, if a construction contractor purchases materials pursuant to a lump sum contract, the contractor may choose whether to pay the sales tax at the time the construction materials are purchased or use tax at the time the construction materials are incorporated into real property.<sup>30</sup> In Indiana, however, the contract performed is not lump sum, the contractor does not have the option.<sup>31</sup>

The measure of tax on which use tax must be paid varies from state to state. In some states the measure of use tax due on the contractor’s cost is the contractor’s cost for the taxable services and materials used in the project.<sup>32</sup> In other states, however, the base for calculation of use tax due can include some aspects of labor or self-fabrication costs. In Florida, for example, contractors that maintain shops or plants where they manufacture building components for their own use in construction projects must pay use tax on the fabricated cost of those items.<sup>33</sup>

Because project materials are expensive and contractor profit margins are tight, it is crucial that contractors study their obligation for sales and use tax on the materials and taxable services they purchase so that they can bid projects appropriately. They must have a method and process for determining whether, when, and how much sales or use tax is due. If they choose to pay sales or use tax on everything they buy, they are generally entitled to a credit for sales tax paid on items that are later resold, but this is not true in every situation. If they pay sales tax on materials to their home state, for example, and then go to a state where they would not have been required to pay sales tax on those materials, there is often no mechanism for them to recover the sales tax paid. If they choose not to pay sales or use tax on anything they buy, they need to be very careful to calculate and document the payment of use tax on the property used in their real property construction activities. Either way, tracking the

purchase of materials used on a particular job adds a significant administrative burden. Miscalculation of their sales and use tax obligations can add significant financial risk to a project.

## **Projects for Tax-Exempt Entities**

Nearly all states provide some exemption for purchases of tangible personal property by government or tax-exempt entities. In some states, only limited types of government entities are exempt from sales tax on purchases.<sup>34</sup> In other states, the exemption is broader and applies not only to government entities but also some charitable tax-exempt entities and public works projects.<sup>35</sup> In Michigan, the exemption flows through to a contractor engaged in a church project, but only for the portion of the church actually used in worship.<sup>36</sup> Thus, a contractor building a church in Michigan must determine which materials are used for the portion of the contract associated with the worship area.<sup>37</sup> The list of entities exempt from sales tax varies widely from state to state.

Construction contractors working with entities exempt from sales tax need to know whether the contractor's purchase of materials that will be incorporated in a tax-exempt entities' project can be purchased free from sales tax (or, in other words, whether the entity's exemption flows through to the contractor). If the contractor must pay sales tax on its purchase of materials used in a tax-exempt project, that tax will be built into the contractor's cost of materials and thus the price of the project as a whole. In that case, the tax-exempt entity will in effect be paying sales tax on its purchase of the materials that go into the building. Although it seems contrary to public policy, this is the rule in a number of states.<sup>38</sup>

In other states the exemption flows through to the contractor's purchase of materials so that the project is truly tax-exempt. In Indiana, for example, if a contractor is working on a project for an entity that is sales tax exempt, the contractor may issue an exemption certificate when purchasing the materials that will be used in the project.<sup>39</sup> Similarly, if a contractor working for a tax-exempt entity in Utah is able to segregate its purchase of materials used in the project, the contractor may purchase those materials free from sales tax.<sup>40</sup> In Utah and many other states, the exemption flow-through depends upon a contractor's ability to follow specific procedures in

purchasing and accounting for the materials to be used in the project.<sup>41</sup>

In order to correctly bid a project for a tax-exempt entity across state lines and not create significant tax liability for themselves, contractors must be fully aware of the differences that building a project for a tax-exempt entity can create in the sales and use tax treatment of the project.

As noted above, there are times when a contractor that pays sales tax on all its materials will not have a mechanism for recovering that sales tax if it is overpaid. Working with tax-exempt entities provides one such example. If a contractor purchases and stores materials in its home state and its state is one that does not allow an entity's exemption to flow through, the contractor will often be required to pay sales or use tax on those materials as a result of their storage in the state.<sup>42</sup> Once the materials are used on an exempt project in another state, even if that state's exemption would otherwise flow through to the materials, there generally isn't any way to recoup the sales tax already paid on those materials. Thus, the contractor will be at a disadvantage when bidding the project because their project costs will include those taxed materials.

## **Sales Tax Treatment of Services**

Examples of services that a contractor may provide include installation, remodeling, repairs to building components and fixtures, maintenance, engineering and design, and landscaping. From a contractor's standpoint, determining whether services are taxable in a particular state may appear easy because taxable services are generally listed by statute as such.<sup>43</sup> Services not listed are generally exempt. The list of taxable services, however, can vary widely from state to state and thus contractors must review the taxable services for each state in which they operate.

In addition, similar to real property construction, the taxability of a particular service that a contractor may engage in may depend on a number of factors.

## **Whether the Property is Residential or Commercial**

As noted above, in some states whether a particular asset installed in a project is subject to sales or use tax may differ depending on whether the underlying real

estate is used for commercial or residential purposes. In Wisconsin, for example, repairs made to certain assets in a commercial setting are taxable, whereas repairs made to the same assets in a residential setting are not taxable.<sup>44</sup> Similarly, in Connecticut project management services associated with the construction of owner-occupied residential property are exempt from sales tax while the same services associated with the construction of commercial property are taxable.<sup>45</sup> As noted above, Connecticut treats multifamily residential projects as commercial rather than residential.<sup>46</sup>

### **Whether the Service is Rendered on New or Existing Property**

In a number of states, services rendered in connection with new property are not taxable while the same services rendered in connection with existing property are taxable.<sup>47</sup> In Iowa, for example, services such as carpentry, plumbing and excavating rendered in connection with a new project are not taxable, but those same services rendered in connection with an existing building may be considered repairs and thus taxable.<sup>48</sup> In Iowa, factors that must be analyzed when determining whether a construction activity is nontaxable construction activity or a taxable repair include whether the service is performed “closely” with a construction activity, the amount of time that passes between the construction of a building and the time at which the services at issue are rendered, and the physical relationship between an original building and an additional construction project.<sup>49</sup>

These differences make it very difficult for a construction contractor engaging in services across state lines to know whether to charge sales tax on a particular project. Because tradesmen in the field may be responsible for billing and collecting payment in the field at the time a job is completing, educating all their personnel on the sales tax treatment for particular jobs is crucial for a contractor working across state lines.

### **The Size of the Job**

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In Iowa, one of the determining factors used to decide whether a particular job is exempt real property construction or a taxable repair is the magnitude of the job.<sup>50</sup> In Minnesota, repairs are not taxable as long as the property repaired will “be used in the same form and for the same purpose for which it was acquired.”<sup>51</sup> If, however, the property being repaired is “modified, altered, or assembled in some different manner than

originally manufactured,” the repair service will be treated as a sale of tangible personal property.<sup>52</sup>

In both of these examples, contractors are called upon to make a subjective determination about the nature of the job; this determination may include factors the contractor can’t fully understand. These types of rules subject contractors to significant risks, especially when contractors come into the state only for an occasional job and thus don’t have the experience or background to know how these determinations should be made.

### **Will the SSTP Help?**

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The Streamlined Sales Tax Project is an initiative of states’ Departments of Revenue to deal with the types of transactions typically engaged in by traditional retailers. It is intended to make the sales tax burdens for retail businesses engaging in interstate commerce lighter by formulating a standardized definitions matrix, easing administrative burdens for complying with each state’s filing and remittance requirements, and providing for centralized collection of sales tax. States involved in the SSTP have passed in whole or in part sales tax rules that conform to the SSTP model.

Unfortunately, the Streamlined Sales Tax Project is not likely to provide relief to construction contractors any time soon for a variety of reasons.

The SSTP has not yet developed standardized definitions for the services and types of assets construction contractors sell. Thus, even when engaging in construction activities in states fully participating in the agreement, contractors will not be able to look to the SSTP definitions matrix for assistance. The SSTP has focused on traditional retailers and the types of businesses that can be conducted over the internet, and not on situations where nexus is clear and the fact that there are collection and remittance obligations are not at issue.

Furthermore, the SSTP does not currently provide any assistance to businesses in complying with their use tax obligations in a particular state. Because construction contractors’ administrative burdens are often related as much or more to the calculation of use tax on the materials incorporated in a particular project rather than on the sales tax that should be collected, the SSTP will not lighten contractors’ burdens.

Finally, only 22 states currently participate in the project, and those 22 states comprise only a relatively small fraction of the U.S. population. Thus, contractors will often be called to work in states that have

not joined the SSTP and have not adopted the SSTP's conforming legislation.

Working across state lines can be difficult for any business, but many retailers have a relatively easy time of it when they can avoid physical presence nexus and thus collection and remittance obligations in another state. Construction contractors never have that luxury since their work by definition means they will have physical presence wherever they operate. Because the incorrect payment of use tax creates at least as much risk as the failure to collect and remit sales tax for a contractor, contractors must look twice

at every project they undertake to determine their tax liabilities. Furthermore, the complexity of the rules contractors must face is greater than it is for any other type of retailer. A bookseller's sales don't depend on how the books are priced, who is selling them or how they will be used. A contractor's sales may well depend on these and other factors. In the absence of any uniformity and in the midst of this myriad of definitions, rules, responsibilities and requirements, construction contractors have a monumental task of educating themselves and their personnel when engaging in construction contracts across state lines.

## ENDNOTES

- <sup>1</sup> See, e.g., Calif. Admin. Code Reg. §1521; see also Wis. Admin. Code Tax §11.68.
- <sup>2</sup> See, e.g., Indiana Dept. of Revenue *Information Bulletin #60* (July 2006), p. 2; see also Utah Admin. Code §R865-19S-58(1)(a) and Neb. Admin. Code Reg. §1.017.
- <sup>3</sup> See, e.g., Utah Admin. Code §R865-19S-58(1)(b); see also Fla. Rule §12A-1.051(2)(c)1.
- <sup>4</sup> See, e.g., Fla. Rule §12A-1.051(1)(c)3.a.; see also Utah Admin. Code §R865-19S-58(4)(c).
- <sup>5</sup> See, e.g., Minn. Stat. §272.03(1)(b); see also 86 Ill. Admin. Code §130.2075(a) and Wis. Dept. of Revenue v. *A.O. Smith Harvestore Products, Inc.*, 72 Wis. 2d 60, 67-68, 240 N.W. 2d 357 (1976).
- <sup>6</sup> See, e.g., Minn. Stat. §272.03(1)(b).
- <sup>7</sup> Fla. Rule §12A-1.051(2)(c)3.
- <sup>8</sup> *Id.*; see also, e.g., Utah Admin. Code §R865-19S-58.
- <sup>9</sup> Wis. Dept. of Revenue v. *A.O. Smith Harvestore Products, Inc.*, 72 Wis. 2d 60, 67-68, 240 N.W. 2d 357 (1976).
- <sup>10</sup> See, e.g., Minn. Stat. §272.03(1)(a) and MN Rev. Not. 04-04 (Mar. 29, 2004).
- <sup>11</sup> See, e.g., Calif. Admin. Code Reg. §1521; see also Utah Admin. Code §R865-19S-58(4)(b) and Fla. Rule §12A-1.051(2)(e)1.
- <sup>12</sup> See, e.g., Calif. Admin. Code Reg. §1521(C); see also Wis. Dept. of Revenue Publication #207, *Sales Tax Treatment of Construction Contractors* (April 2004).
- <sup>13</sup> See, e.g., Calif. Admin. Code Reg. §1521.
- <sup>14</sup> Miss. Admin. Code §41(T); see also Mississippi Sales and Use Tax Guide for Construction Contractors, at 2.
- <sup>15</sup> See, e.g., Wis. Admin. Code Tax §11.68(7); see also Wis. Dept. of Revenue Pub. 207, *Sales Tax Treatment of Construction Contractors* (July 2006); see also Minn. Stat. §272.03(1)(a) and MN Rev. Notice 04-04 (Mar. 29, 2004).
- <sup>16</sup> Wis. Dept. of Revenue Pub. 207, *Sales Tax Treatment of Construction Contractors* (July 2006); see also Conn. Informational Pub. No. 2004(29).
- <sup>17</sup> See, e.g., Utah Admin. Code §R865-19S-58(2)(a); see also Tenn. Code Ann. §67-6-209.
- <sup>18</sup> See Calif. Admin. Code Reg. §1521; see also Indiana Dept. of Revenue *Information Bulletin #60* (July 2006), at 3.
- <sup>19</sup> See, e.g., Ariz. Rev. Stats. §42-5075. This is generally the case for cost-plus contracts as well. See, e.g., Calif. Admin. Code Reg. §1521; see also Fla. Rule §12-1.051(4).
- <sup>20</sup> *Id.*; see also Ariz. Rev. Stats. §42-5075.
- <sup>21</sup> *Id.*; see also Indiana Dept. of Revenue *Information Bulletin #60* (July 2006), at 3.
- <sup>22</sup> See, e.g., Fla. Rule 12-A-1.051.
- <sup>23</sup> *Id.*; see also Wis. Stats. §77.51(2).
- <sup>24</sup> See, e.g., Miss. Admin. Code §41(T); see also Arizona Dept. of Revenue Pub. 602 (July 2005) and N.Y. Comp. Code R. & Regs. tit. 20, §541.5.
- <sup>25</sup> Ariz. Dept. of Revenue Pub. 603 (July 2005).
- <sup>26</sup> See, e.g., Utah Admin. Code §R865-19S-58(2)(a); see also Fla. Rule §12A-1.051(4).
- <sup>27</sup> See, e.g., Fla. Rule §12A-1.051(4).
- <sup>28</sup> See, e.g., Calif. Admin. Code Reg. §1521.
- <sup>29</sup> *Id.*; see also Tenn. Code Ann. §67-6-102 and Neb. Admin. Code Reg. §1.017.04.
- <sup>30</sup> See Indiana Dept. of Revenue *Information Bulletin #60* (July 2006), at 3.
- <sup>31</sup> *Id.*
- <sup>32</sup> See, e.g., Wis. Stats. §77.51(2), (14i); see also Minn. Revenue, *Contractors* (April 2003), p. 5.
- <sup>33</sup> Fla. Rule §12A-1.051(10).
- <sup>34</sup> See, e.g., S.C. Rev. Rul. #04-9.
- <sup>35</sup> See, e.g., Wis. Stats. §77.54(41); see also Tenn. Code Ann. §67-6-102, 209, 384.
- <sup>36</sup> MCL §§205.54p; see also Mich. RAB 1999-2.
- <sup>37</sup> *Id.*
- <sup>38</sup> See, e.g., Wis. Stats. §77.51(14)(g); see also Mississippi Sales and Use Tax Guide for Construction Contractors, p. 2 and Calif. Admin. Code Reg. §1521.
- <sup>39</sup> See Indiana Dept. of Revenue *Information Bulletin #60* (July 2006), p. 3.
- <sup>40</sup> Utah Admin. Code §R865-19S-58.
- <sup>41</sup> *Id.*; see also S. Car. Rev. Ruling #04-9.
- <sup>42</sup> See, e.g., Wis. Dept. of Revenue Pub. 207, *Sales Tax Treatment of Construction Contractors*.
- <sup>43</sup> See, e.g., Wis. Stats. §77.52(2)(a).
- <sup>44</sup> Wis. Admin. Code §11.68.
- <sup>45</sup> Conn. Informational Pub. No. 2004(29).
- <sup>46</sup> *Id.*
- <sup>47</sup> See, e.g., N.Y. Tax Law §1105(c)(5); see also Conn. Informational Publ. #2004(29).
- <sup>48</sup> Iowa Code §§423.2, 3; see also Iowa Dept. of Revenue, *Iowa Contractors Tax Guide*, p. 2.
- <sup>49</sup> *Id.*
- <sup>50</sup> Iowa Dept. of Revenue, *Iowa Contractors Tax Guide*, p. 2.
- <sup>51</sup> Minn. R. §8310.0700.
- <sup>52</sup> *Id.*

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