

SECTION 32 - ART DEALERS, PHOTOGRAPHERS, PHOTO FINISHERS, BLUE PRINTS, AND PHOTOSTATIC COPIES**32-1 OBJECTS OF ART**

Retail sales of objects of art and art supplies are subject to the general rate of State tax and any applicable local sales or use tax unless specifically exempt by statute.

Note: For information on sales by advertising artists, refer to Sales and Use Tax Technical Bulletin 24-2.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-164.13; 105-264;
Issued: June 1, 1996;
Revised: March 1, 2007; July 1, 2005; February 1, 2004;
June 1, 2002; March 1, 1997.

32-2 PHOTO SUPPLIES, PHOTOGRAPHS AND MATERIALS

- A. Sales of frames, films and other articles by photographers, photo finishers or others to users or consumers are subject to the general rate of State tax and any applicable local sales or use tax.
- B. Gross receipts from sales of photographs including all charges for developing or printing by commercial or portrait photographers or others are subject to the general rate of State tax and any applicable local sales or use tax. Taxable gross receipts include sitting fees charged to a customer who ultimately purchases photographs or other tangible personal property; a sitting fee charged to a customer who does not purchase any photographs or other tangible personal property is not subject to sales or use tax. A copyright fee that entitles a purchaser the right to reproduce a photograph does not constitute part of the gross receipts from the sale of the photograph and is not subject to sales or use tax when the charge is separately stated on a customer's invoice and in the vendor's records.
- C. Sales to commercial or portrait photographers of materials which become an ingredient or component part of the finished picture including mounts, frames and paper are not subject to the tax.
- D. Materials such as films, chemicals, proof paper, cameras, trays, and similar items that are used in the manufacture or fabrication of such pictures are subject to the 1% State rate of tax when such materials are sold to commercial or portrait photographers. **Effective January 1, 2006**, purchases by commercial or portrait photographers of machinery or machinery parts or accessories used in the manufacture of photographs are exempt from sales and use tax and subject to the 1% privilege tax with a maximum tax of \$80.00 per article. For additional information on the privilege tax, refer to Section 56 of the Sales and Use Tax Technical Bulletins.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-187.50; 105-187.51;
105-187.51A; 105-187.51B; 105-187.52; 105-264;
Issued: June 1, 1996;
Revised: June 1, 2009; March 1, 2007; June 1, 2002.

32-3 PHOTO TINTING

The tinting or coloring of photographs delivered to a photographer or photo finisher by a customer constitutes a service and the receipts therefrom are not taxable. Sales to photographers and photo finishers of materials to be used by them in performing such services are subject to the general rate of State tax and any applicable local sales or use tax.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996;
Revised: June 1, 2002.

32-4 PHOTOENGRAVINGS, ELECTROTYPES AND LITHOGRAPHS

Sales to commercial printers of photoengravings, electrotypes and lithographs, when the same are not for resale, but which the purchaser uses in printing tangible personal property for sale are subject to the 1% State rate of sales or use tax. **Effective January 1, 2006**, purchases by commercial or portrait photographers of machinery or machinery parts or accessories used in the manufacture of photographs are exempt from sales and use tax and subject to the 1% privilege tax with a maximum tax of \$80.00 per article. For additional information on the privilege tax, refer to Section 56 of the Sales and Use Tax Technical Bulletins.

Sales of the items listed above and all other printing equipment and supplies, including paper and ink, to consumer or captive printers are subject to the general rate of State tax and any applicable local sales or use tax.

Note: For additional information on commercial printers, refer to Section 7 of the Sales and Use Tax Technical Bulletins.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-187.50; 105-187.51;
105-187.51A; 105-187.51B; 105-187.52; 105-264;
Issued: June 1, 1996;
Revised: March 1, 2007; June 1, 2002.

32-5 SALES OF DEVELOPED MOVIE FILM

The sale of developed movie film to users or consumers is subject to the general rate of State tax and any applicable local sales or use tax unless exempt by Statute. The sale of developed movie film to commercial television stations, which operate under the regulation and supervision of the Federal Communications Commission, for use by them in broadcasting and telecasting programs is subject to the 1% State rate of tax. **Effective January 1, 2006**, such sales to television companies licensed by the Federal Communications Commission are exempt from tax.

Note: For additional information on the sale of film to television stations, refer to Sales and Use Tax Technical Bulletin 20-3. For information on the lease of motion picture film or prerecorded videotape cassettes for public exhibition, see Sales and Use Tax Technical Bulletin 20-5.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996;
Revised: March 1, 2007; June 1, 2002.

32-6 DEVELOPING FILM INTO NEGATIVES

Charges by photo finishers for developing customers' film into negatives which are returned to such customers only on the exposed film furnished by the customer to the photo finisher are not subject to sales or use tax.

History Note: Authority G.S. 105-164.3; 105-264;
Issued: June 1, 1996.

32-7 BLUEPRINTS AND PHOTOSTATIC COPIES

- A.** Sales of photostatic copies or blueprints by a photostat or blueprint producer or others to consumers or users are subject to the general rate of State tax and any applicable local sales or use tax to be computed on the gross receipts.
- B.** Sales of blueprints, photographs and other tangible personal property to an architectural or engineering firm for use or consumption and not for resale are subject to the general rate of State tax and any applicable local sales or use tax.
- C.** Architects are liable for sales tax on blueprints or plans when they reproduce plans or drawings and sell them. No tax is due when plans and specifications are instruments of service and title thereto remains with the architects.

History Note: Authority G.S. 105-164.4; 105-164.6; 105-264;
Issued: June 1, 1996;
Revised: June 1, 2002.