



Sales and Use Tax - Carpet Samples. A DEALER PURCHASING CARPET SAMPLES IS REQUIRED TO PAY SALES OR USE TAX ON THEIR COST AND IF HE SUBSEQUENTLY SELLS SUCH SAMPLES HE MUST ALSO COLLECT SALES TAX FROM HIS CUSTOMER.

Advice has been requested as to the taxability of carpet samples purchased by a dealer from a manufacturer or jobber. The samples normally range in size from 27" x 54" down to 6" x 6" in swatch books and are used by the dealer until the particular pattern is discontinued. When the samples become obsolete they may be sold to enable the dealer to recover at least a part of his cost for them.

Carpet samples may not be purchased for resale by the dealer since he is not purchasing them for resale in the normal course of business. He is purchasing them for use in promoting sales of room size carpeting and therefore, either sales or use tax must be paid by the dealer on his cost at the time of their purchase.

When the carpet samples become obsolete and are sold at retail by the dealer to customers for throw rugs and other miscellaneous uses, sales tax must be collected. No credit may be allowed for the tax which the dealer has previously been required to pay.

APPROVED:

A handwritten signature in cursive script that reads 'William E. Peters'.

William E. Peters  
State Tax Commissioner

June 28, 1976