



Self-Review – Solar Panel Installers

Taxable

The following are examples of tangible personal property, commonly consumed by solar panel installers, the purchase or lease of which is subject to sales and use tax:

Solar equipment installed to real property: solar panels, power inverters, trackers, racks, mounts, charge controllers, cables, grounding hardware, monitoring displays, meters, solar water heaters, solar ventilation systems, accessories, installation tools, etc.

Construction materials

Purchases and rentals of equipment: office equipment, telephone equipment, computer equipment, etc.

Repairs and services to equipment

Office supplies

Prewritten computer software, upgrades, maintenance agreements, etc.

Publications, newsletters, books, magazine subscriptions, etc.

All other tangible personal property purchased to be used or consumed, including Internet purchases*

Nontaxable

The following are examples of purchases not subject to sales and use tax:

Shipping, freight, or delivery charges (if separately stated on the purchase invoice)

Advertising fees: newspaper, magazine, radio, television, Internet, etc.

Professional services: legal, accounting, etc.

Insurance premiums

Membership dues

Repairs, renovations, and services to real property, janitorial services, building repairs, snow removal, document shredding, etc.

Custom computer software

Purchases of tangible personal property for resale (items installed to real property are not considered to be for resale)

Purchases made on behalf of a religious or charitable organization, if they provide an exemption certificate (form TC-721)

Purchases made by or for an alternative energy electricity production facility of tangible personal property which meets the requirements of Utah Code 59-12-104

*Purchases made on the Internet are treated the same for sales and use tax purposes as any other out-of-state purchases (for example, catalog purchases from out-of-state, etc.) and payment of the use tax to the Tax Commission is required if the seller does not collect the tax.

Items purchased for use in construction are still taxable even if a government agency is the customer. The items would only be tax exempt if purchased directly by the government agency, and converted to real property by the government agency.

Please be aware these examples are NOT all-inclusive. These lists are intended to provide you with general guidelines regarding the taxability of your purchases. If you have a question regarding a specific item not on the lists, contact us at one of the numbers listed on the cover letter, and we will be happy to discuss it with you.

Additional information may be found in Administrative Rules R865-19S-58 and R865-21U-6, and Publication 42. These references and other supplemental research sources may be found on the Internet at tax.utah.gov.