

Introduction

This publication provides sales tax information for outfitter and guide services and for sales of hunting and fishing licenses and cooperative wildlife management units (CWMU) permits. See Publication 25 for general sales and use tax information.

Tax Commission publications are reference tools. They are not all-inclusive and should not be used as legal references.

Tax laws may change due to legislative action. Changes to law will supersede any information in this publication.

General Information

Charges for admissions or user fees for recreational activities are subject to sales tax. Additionally, charges for guide services, tours, camping, lodging, meals, entrance onto private lands, access to private waters, use of facilities or equipment, or sales or rentals of tangible personal property are also taxable.

Operations of Guides and Outfitters

Taxable Purchases

Charges for the following items and services are taxable to the guide or outfitter:

- Items a guide or outfitter uses as a part of ~~his~~their services, e.g., binoculars, tents, rafts, fuel (*see Exemption, below*)
- Lodging – provided by a hotel/motel
- Meals – provided by a restaurant or catered

Sales tax must be paid directly to the seller at the time of purchase by the guide or outfitter.

Example 1

An outfitter includes lodging at a local motel in the fees ~~he charges~~ ~~his~~they charge their clients. The outfitter must pay sales tax at the time ~~he pays~~they pay the lodging charges to the motel. -When the outfitter invoices ~~his~~their client for ~~his~~their services ~~he~~they should exclude the lodging charges from the amount ~~he collects~~they collect tax on.

Example 2

A guide purchases cots for use by ~~his~~their clients. The guide must pay sales tax at the time ~~he purchases~~they purchase the cots. -The guide should charge sales tax to ~~his~~their clients on the entire amount of ~~his~~their services. (*See Exemption, below.*)

If the guide purchases items or services for resale to a client, ~~he~~they must purchase the items or services exempt from sales tax and collect sales tax when ~~he~~they bills the client for those items or services.

Example 3

An outfitter includes meals in the price ~~he charges~~ ~~his~~they charge their clients. If the outfitter prepares the meals, ~~he~~they should purchase the food tax-exempt and charge sales tax to ~~his~~their clients. If the outfitter pays for a local restaurant to cater meals to ~~his~~their clients, ~~he~~they should pay sales tax to the restaurant at the time ~~he purchases~~they purchase the catered meals.

Exemption

Purchases of equipment by guides categorized under NAICS Subsector 713 are exempt from sales tax if:

1. the equipment has an economic life of three or more years.
2. the equipment will be used by payers of admissions or user fees, and
3. at least 51 percent of the guide's sales revenue for the previous calendar quarter came from taxable admissions or user fees.

Taxable Sales and Services

Guides and outfitters must collect sales tax on amounts charged for the following:

- Guide services
- Tours
- Camping
- Lodging – provided by the guide or outfitter
- Meals – prepared by the guide or outfitter
- Entrance onto private lands
- Game retrieval and care
- Access to private waters
- Use of facilities or equipment
- Sales or rentals of tangible personal property

Nontaxable Sales and Services

The sale of a hunting or fishing license, or a cooperative wildlife management unit (CWMU) voucher/permit is not subject to sales tax.

Amounts charged for aircraft tours that enter into airspace designated by the Federal Aviation Administration as a federal airway during the tour are exempt from sales tax.

Example 4

A guide flies a client by helicopter to the top of a mountain where they ski down to the base. The guide should not collect sales tax for charges related to the helicopter ride, but should collect sales tax for the skiing (guide services).

Amounts charged for boat tours, scenic cruises or other similar activities on Utah waters are exempt from sales tax if the waters on which the activity occurs are used as highways for interstate commerce.

Example 5

A tour operator sells an all-day rafting trip down the Colorado River that includes prepared meals. The tour operator would not charge tax on the **part** of the sale attributed to the rafting trip, but would collect sales tax on the portion of the sale attributed to the meals. The tour operator would purchase the food tax-exempt.

Determining the Tax Rate

Guides, outfitters and providers of similar activities must charge sales and use tax at the current rate in the locality where the service begins. If the service begins outside Utah, the transaction is not subject to Utah sales tax.

For **sales** of tangible personal property, the tax rate is based on the guide or outfitter's fixed place of business. For **rentals** of tangible personal property, the tax rate is based on the location the client receives the goods.

Invoices

If a sale includes both taxable and nontaxable items and services, the entire sale is taxable unless the taxable and nontaxable items and services are separately stated on the invoice or in the books and records of the seller.

Example 6

A guide bills **his** client for a CWMU permit, access onto the CWMU, and meals. If the guide doesn't document the charge for the nontaxable CWMU permit on the invoice or in **his** books and records, the entire bill, including the CWMU permit, is subject to sales tax.
