



## EXAMPLES Education Notice – Sales of Animals

### What sales are subject to sales tax?

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#### Taxable

The seller must collect sales tax on the following products and services provided to the customer: animal, kennel, collar, leash, or any other item sold to the customer.

Sales tax must be collected on the total sales price of the animal and other items sold.

#### Nontaxable

Sales to out-of-state customers are nontaxable. However, if the animal is transferred in Utah, the transaction is taxable, even if the buyer intends to take the animal out-of-state.

Certain sales within Utah are exempt from sales tax if the purchaser provides an exemption certificate. These include:

- Sales for resale by the customer (i.e., selling the animal to a retailer that will resell it).
- Sales to a commercial farmer who primarily uses the animal directly in their farming operations.
- Sales to the United States and Utah government agencies (but not to agencies of other states) if the purchase is paid for directly by the agency.
- Sales to religious or charitable institutions if the sale totals \$1,000 or more or is pursuant to a contract between the seller and purchaser.

### What purchases, leases, or rentals are subject to sales and use tax?

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#### Taxable

- Food
- Medical supplies - medicine, disinfectant, syringes, vaccines for shots administered by the breeder, etc.
- Cleaning and grooming supplies – shampoo, clippers, etc.
- Equipment and supplies – kennels, leashes, collars, supplies, etc., used in animal care.

#### Nontaxable

- All items purchased for resale may include collars, leashes, bows, etc., included with the animal sold or sold directly to the customer.
- Separately stated delivery charges
- Medical services performed by a veterinarian.

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This list is intended to provide you with general guidelines regarding the taxability of your purchases and sales. If you have a question regarding a specific item not listed above, you can contact us at one of the numbers listed on the letter, and we will be happy to discuss it with you.

You may purchase items from a seller that are both for resale and for your use in your business. When you buy items for resale, you should issue an exemption certificate, TC-721, indicating the purchase is for resale. The seller will not charge you sales tax. You are then responsible for accounting for those items you use or consume. Use tax must be accrued on these items, and you must remit the tax on your subsequent sales and use tax returns.