



Self-Review – Guides and Outfitters

Sales Charges Subject to Sales Tax

Amounts charged as **admission or user fees** for amusement, entertainment, recreation, exhibition, cultural, or athletic activities are subject to sales tax. Charges by guides or outfitters to their customers for **guide services** or **access onto land** (or private water) are examples of admission or user fees. This includes charges for guided hunting tours, fishing tours, hiking tours, backpacking tours, camping tours, rock climbing tours, biking tours, canyoneering tours, jeep tours, 4x4 tours, boat tours, scenic flights, horseback riding, etc. The tax rate is based on the locality where the services begin.*

Retail sales or rentals of tangible personal property made within Utah are taxable. If a guide or outfitter sells or rents items to customers, they must collect sales tax from the customers. This includes sales or rentals of: clothing, camping supplies, hunting and fishing supplies, guns, hiking gear, protective gear, etc. The tax rate is based on the fixed place of business, or other location where customers receive the goods purchased.*

Sales of prepared food prepared by the guide or outfitter are taxable.

Amounts charged for **lodging** provided by the guide or outfitter are taxable.

* See tax.utah.gov/selfreview/outfitters for a **Tax Rate Table** of applicable rates.

Sales Charges Not Subject to Sales Tax or Exempt from Sales Tax[†]

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

Guided tours are exempt from Utah sales tax if the service does not begin in Utah, but in an out-of-state location. (The tour may be subject to the other state's sales tax.)

Amounts paid for aircraft tours are exempt from sales tax if the craft enters a federal airway ("Class E airspace" as designated by the Federal Aviation Administration) during the tour.

Amounts paid for boat tours, scenic cruises, and similar services (river runs, etc.) are exempt from sales tax if the waters of the tour or cruise are used as highways for interstate commerce.

Sales to Native American tribes or tribe members are exempt if the sale occurs on the tribe's reservation, or a purchased item is delivered to the reservation.

[†]If a sale to a customer includes both taxable and nontaxable items and services, the taxable and nontaxable items and services need to be separately stated on the invoice or in the books and records of the seller, or the entire sale is taxable.

Example 1: A hunting guide invoices a client for a guided hunt. The invoice shows a single, all-inclusive charge, covering guide fee, the client's hunting license, CWMU permit, lodging, meals, and game retrieval. The guide should collect tax based on the full amount, unless he can document the cost of the nontaxable items, the hunting license and CWMU permit, in his records.

Example 2: An outfitter rents and sells hiking equipment and clothing at a storefront in Moab, and also provides a guided hiking service, which begins at a location outside city limits. The outfitter should tax the sales and rentals at the Moab tax rate, and tax the guide service at the Grand County tax rate.



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Purchases Subject to Sales and Use Tax

The guide or outfitter must pay sales and use tax at the time of purchase for items they use or consume.[‡] The guide or outfitter is considered the consumer if they use an item in providing the service, or provide it for the use of customers as part of the service without the customer having to purchase or rent it.

If a guide or outfitter pays for lodging provided by a hotel or motel, or for meals provided by a restaurant or caterer, those amounts are taxable to the guide or outfitter, who is including lodging and meals as part of the cost of the service provided, and is considered the consumer.

[‡]For purchases made from out-of-state sellers or Internet sellers who do not collect the sales tax, the purchaser is required to pay use tax to the Tax Commission by reporting the tax free purchases on the sales tax return, or reporting the use tax on the individual income tax or corporate tax return, if they are not licensed for sales tax.

Purchases Exempt from Sales and Use Tax

Purchases of items by a guide or outfitter for resale to customers are exempt from sales tax.

The guide or outfitter should purchase such items tax exempt using an exemption certificate (form TC-721), and collect tax from their customers when the items are sold. This includes purchases of food items which the guide or outfitter will use to prepare meals.

Charges paid by the guide or outfitter for access onto land are not considered an admission or user fee, and are not taxable. (The taxable admission fee is the amount paid by customers to the guide or outfitter.)

Separately stated delivery charges on purchases (shipping and handling, etc.) are exempt.

Example 3: An outfitter includes lodging and meals at a local motel and restaurant in the fees he charges his clients. The outfitter should pay sales tax to the motel and the restaurant at the time he pays for the lodging and meal charges. The outfitter should not collect tax from clients on those amounts.

Example 4: A guide provides camp meals as part of a hiking tour. She bought food and cooking utensils at a local grocery store, and bought a camp stove and camp chairs from an online retailer who does not collect Utah sales tax. The guide should pay tax at the time she purchases the cooking utensils. She should report the purchase of the camp stove and camp chairs (less the delivery charge) on her next sales tax return as “Goods purchased tax free and used by you.” She should buy the food tax exempt with an exemption certificate, and collect tax on the amount she charges her hikers for the meals.

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

Additional information may be found in Administrative Rules R865-19S-33, R865-19S-34, R865-19S-113 and R865-21U-6, and Publication 69. These references and other supplemental research sources may be found at tax.utah.gov.