

## INDUSTRY GUIDANCE

<b>Category:</b>	Embroidery Companies	<b>Tax Type:</b>	Sales & Use Tax
<b>Brief Description:</b>	Embroidery Companies Tax Matrix	<b>Issuance Date:</b>	01-31-2024
		<b>Revision Date:</b>	03-28-2025

The taxability of sales and purchases of tangible personal property and labor services by embroidery companies are summarized below. While this document provides general information as to the taxability of sales and purchases of tangible personal property and labor services by businesses in the embroidery industry, it may not necessarily cover every situation as the taxability may depend on facts and circumstances around the specific transaction. Should a more definitive determination be desired, businesses may request a letter ruling from the Department. [MODOR Letter Ruling Page](#)

### ***This list is not all-inclusive.***

Missouri sales or use tax applies to those purchases identified or designated as taxable in the chart below. The applicable Missouri sales or Missouri consumer's use tax must be paid to the vendor or accrued and remitted directly to the Missouri Department of Revenue. Purchases from Missouri vendors should be reported using the retailer's sales tax return. Purchases from outside this state which are delivered to this state are to be reported on the Missouri consumer's use tax return.

<b>Sales by Embroidery Companies:</b>	<b>Taxable/Exempt</b>
Embroidery services incorporated into the selling price of seller's products including but not limited to; shirts, caps, coats, aprons, oven gloves, duvets, blankets, lampshades, towels, tote bags, coasters, etc.	Taxable
<a href="#">Embroidery services on customer's supplied products</a>	<a href="#">Exempt</a>
Buttons, zippers, hooks, buckles, velcro, clasps, studs, and other items, when sold to customer as individual items	Taxable
<a href="#">Buttons, zippers, hooks, buckles, velcro, clasps, studs, and other items, when added to customer's property</a>	<a href="#">Exempt</a>
Books on embroidery and other related topics	Taxable
<a href="#">Any sale where the customer provides a signed exemption certificate</a>	<a href="#">Exempt</a>
<a href="#">Gift cards &amp; gift certificates</a>	<a href="#">Exempt</a>
<a href="#">Shipping, delivery, freight, and postage charges</a>	<a href="#">Exempt</a>
Combined shipping and handling	Taxable
Handling charges	Taxable
Inbound freight charges which are passed on to customers, with or without a separate line item	Taxable

AUDIT SERVICES

# EMBROIDERY COMPANIES

TAX MATRIX

<b>Purchases by Embroidery Companies:</b>	<b>Taxable/Exempt</b>
Items purchased for resale	Exempt
Embroidery machines and other equipment purchased to do embroidery work on customer's property	Taxable
Embroidery machines and other equipment purchased to do embroidery work on inventory for resale (seller does not have a manufacturing plant)	Taxable
Embroidery pens, pencils, and markers	Taxable
Packaging used to contain or ship embroidered items where the seller provided embroidery services to the customer's supplied products	Taxable
Packaging used to contain or ship embroidered items where the seller supplied the tangible personal property	Exempt
Thread that goes into products sold by business	Exempt
Thread that goes into products supplied by customers	Taxable
Buttons, zippers, hooks, buckles, velcro, clasps, studs, and other items, which are sold to customer as individual items	Exempt
Buttons, zippers, hooks, buckles, velcro, clasps, studs, and other items, that are added to customer's property	Taxable
Inventory withdrawn to be given away or used by the business	Taxable
Computer & internet equipment	Taxable
Cleaning materials such as gloves, chemicals, waxes, etc.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving, etc.	Taxable
Copiers, scanners, desktop and laptop computers, monitors, printers, and fax machines	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, business cards, ink, toner, ribbon cartridge, etc.	Taxable
Pre-printed forms, signage, printer paper, receipt books, pamphlets	Taxable
Educational materials such as posters, printed materials, and literature, etc.	Taxable
Books, newspapers, and magazine subscriptions	Taxable
Canned software and software upgrades to maintain or update software delivered via CD Rom	Taxable
Canned software provided via electronic download through the internet	Exempt
Custom software and software upgrades to maintain or update software developed for a single end user	Exempt
Breakroom supplies such as microwaves, refrigerators, cups, and paper products	Taxable
Complimentary bottled water, coffee, soft drinks, creamer, sugar, cups and stir sticks, candy, etc.	Taxable

AUDIT SERVICES

## EMBROIDERY COMPANIES

TAX MATRIX

<b>Purchases by Embroidery Companies (continued):</b>	<b>Taxable/Exempt</b>
Promotional items including but not limited to: calendars, mugs, pens, clothing, balloons, etc.	Taxable
Security cameras & other security related equipment	Taxable
Security monitoring services	Exempt
Specialty advertising	Taxable
Media advertising	Exempt
Donations of tangible personal property	Taxable
Trash & cleaning services	Exempt
Shredding services	Exempt
Janitorial supplies	Taxable
Utilities	Taxable
Linen services	Exempt
Pest control services	Exempt
Professional services such as legal or accounting	Exempt
Uniforms	Taxable
Repair and replacement parts for repairing, altering, or maintaining tangible personal property such as computers, printers, copiers, security equipment, etc.	Taxable
Repair parts for company vehicle used to plow snow from parking lots, driveways etc.	Taxable
Lease or rental of any copier, fax, vehicle etc.	Taxable
Repairs, maintenance, and remodeling services to existing structure/facility through a hired contractor	Exempt
Warranty or service agreements for tangible personal property such as computers, printers, copiers, security equipment, etc.	Exempt
Shipping, delivery, freight, and postage charges	Exempt
Handling charges	Taxable
Combined shipping and handling	Taxable
Line Item showing inbound freight charges from the seller, passed on to the customer	Taxable