

**INDUSTRY GUIDANCE**

<b>Category:</b> Contractors	<b>Tax Type:</b> Sales & Use Tax
<b>Brief Description:</b> Contractors Tax Matrix	<b>Effective Date:</b> 10-24-2022

The taxability of sales and purchases of tangible personal property and labor services by contractors 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 contractors, 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 may 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.

**Contractor**—Any person entering into an agreement to improve, repair, replace, erect or alter real property.

**Dual operator**—A taxpayer who purchases materials and supplies for both consumption, as a contractor, and resale, as a retailer.

**Real property**—Items permanently affixed to land, such as buildings.

<b>Sales by Contractors:</b>	<b>Taxable/Exempt</b>
Contractor sales of tangible personal property where title passed to the customer after installation	Exempt
Tangible personal property not installed as real property by a dual operator	Taxable
Tangible personal property installed as real property by a dual operator	Exempt
Portable cubicles	Taxable
Office equipment that is not permanently affixed to real property	Taxable
Kitchen cabinets, countertops, shelving, bookcases, etc. that are installed	Exempt

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<b>Purchases by Contractors:</b>	<b>Taxable/Exempt</b>
Tangible personal property to be sold as an attachment to real property	Taxable
Tangible personal property to be sold as an attachment to real property, where title will pass before attachment	Exempt
Building materials to be sold as real property to government or exempt entity that provides project exemption certificate	Exempt
Items to be consumed in the sale of real property to government or exempt entity that provides project exemption certificate	Exempt
Machinery, equipment, or tools used in construction of real property	Taxable
Purchases by a dual operator where the dual operator installs the items prior to title passing	Taxable
Purchases by a dual operator where the dual operator does not install the items	Exempt
Purchases of parts, materials, supplies, and chemicals by air or water pollution contractors	Taxable
Purchases of machinery, equipment, appliances or devices by air or water pollution contractors	Exempt
Purchases of repair parts for machinery or equipment used by air or water pollution contractors	Taxable
Purchases of parts, materials, supplies, and chemicals purchased by contractors	Taxable
Specialty advertising	Taxable
Media advertising	Exempt
Utilities	Taxable
Books, newspaper, and magazine subscriptions	Taxable
Canned software provided via electronic download through the internet	Exempt
Canned software and software upgrades to maintain or update software delivered via CD Rom	Taxable
Custom software and software upgrades to maintain or update software developed for a single end user	Exempt
Donations of tangible personal property	Taxable
Educational materials such as: posters, printed materials, and literature, etc.	Taxable
Furniture and fixtures including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving, etc.	Taxable
Lease or rental of any copier, fax, vehicle, etc.	Taxable
Office supplies such as: office forms, staplers, paper, pens, pencils, labels, business cards, ink, toner, ribbon cartridge, etc.	Taxable

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<b>Purchases by Contractors (continued):</b>	<b>Taxable/Exempt</b>
Promotional items including but not limited to: calendars, mugs, clothing, balloons, etc.	Taxable
Pest control services	Exempt
Repair and replacement parts for repairing, altering or maintaining tangible personal property such as computers, printers, copiers, security equipment, etc.	Taxable
Security cameras and other security related equipment	Taxable
Security monitoring services	Exempt
Uniforms	Taxable
Warranty or service agreements for tangible personal property such as computers, printers, copiers, security equipment, etc.	Exempt