

INDUSTRY GUIDANCE

Category: Manufacturing	Tax Type: Sales & Use Tax
Brief Description: Manufacturing Tax Matrix	Issuance Date: 12-1-2022 Revision Date: 12-1-2022

The taxability of sales and purchases of tangible personal property and labor services by manufacturing 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 manufacturing 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 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.

Sales by Manufacturers:	Taxable/Exempt
Finished product without exemption documentation	Taxable
Finished product where purchaser provides exemption certificate	Exempt
Finished product where purchaser is exempt entity who provides tax exempt letter	Exempt
Merchandise shipped out of state by seller, where title transfers out of state	Exempt
Merchandise sold where customer picks item up in Missouri and transfers it out of state	Taxable
Finished product without exemption documentation where material, labor, and overhead are included on the invoice	Taxable
Separately stated delivery charges, where the amount charged for delivery is usual and customary	Exempt

Purchases by Manufacturers:	Taxable/Exempt
Purchase of items which will become component parts of seller's finished product	Exempt
Merchandise withdrawn from resale inventory for use or consumption	Taxable
ATMs and/or lease agreements for ATMs	Taxable

Purchases by Manufacturers (continued):	Taxable/Exempt
Machinery or equipment that directly alters manufactured product	Exempt
Machinery or equipment that is used to make custom items that can only be sold to a single customer	Taxable
Chemicals consumed during manufacturing process	Exempt
Tools and equipment used to repair manufacturing equipment	Taxable
Employee safety items worn only on manufacturing line	Exempt
Employee safety items worn throughout warehouse	Taxable
Utilities used to power manufacturing line machinery	Exempt
Equipment to test product during production where outcome of the test will determine if the work in progress is continued, reworked, or scrapped	Exempt
Equipment to test product during production where outcome of the test will be used for future reference, but will not alter current production run	Taxable
Equipment purchased because it is required by OSHA or other federal law, but not used directly in manufacturing	Taxable
Forklifts, floor jacks, conveyors, and similar items, used to move partially completed product between manufacturing lines	Exempt
Forklifts, floor jacks, conveyors, and similar equipment, used to move items to and/or in the storage area.	Taxable
Molds and dyes used on manufacturing machinery	Exempt
Computers and software used to automatically run manufacturing machinery	Exempt
Computers and software that are not used to run manufacturing machinery	Taxable
Purchase of equipment used for research and development to build a new type of product, or substantially improve an existing product	Exempt
Repair parts of machinery that is directly used in manufacturing a product	Exempt
Repair parts of machinery that is directly used in manufacturing a custom item that can only be sold to a single customer	Taxable
Machinery and equipment rented to install manufacturing machinery	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
Lease or rental of any copier, fax, vehicle etc.	Taxable

Purchases by Manufacturers (continued):	Taxable/Exempt
Copiers, scanners, computers, printers, and fax machines	Taxable
Complimentary bottled water, coffee, soft drinks, creamer, sugar, cups and stir sticks, candy, etc.	Taxable
Promotional items including but not limited to: calendars, mugs, pens, clothing, balloons, etc.	Taxable
Educational materials such as posters, printed materials and literature, etc.	Taxable
Office supplies such as office forms, staplers, paper, pens, pencils, labels, business cards, ink, toner, ribbon cartridge, etc.	Taxable
Furniture and fixtures, including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving, etc.	Taxable
Shelving, display racks, checkout counters, storage cabinets, display cases, scanners, cash drawers, bins and boxes, etc.	Taxable
Repair and replacement parts for repairing, altering, or maintaining tangible personal property such as computers, printers, copiers, security equipment, etc.	Taxable
Repairs, maintenance, and remodeling services to existing structure/facility through a hired contractor	Exempt
Breakroom supplies such as microwaves, refrigerators, cups, and paper products	Taxable
Utilities	Taxable
Security cameras & other security related equipment	Taxable
Security monitoring services	Exempt
Streaming music services	Exempt
Trash & cleaning services	Exempt
Shredding services	Exempt
Janitorial supplies	Taxable
Pest control services	Exempt
Professional services such as legal or accounting	Exempt
Donations of tangible personal property	Taxable
Specialty advertising	Taxable
Media advertising	Exempt
Uniforms	Taxable
Warranty or service agreements for tangible personal property such as computers, printers, copiers, security equipment, etc.	Exempt