

**RENTAL &
LEASING
COMPANIES**

AUDIT SERVICES

TAX MATRIX

INDUSTRY GUIDANCE

Category:	Rental & Leasing Companies	Tax Type:	Sales & Use Tax
Brief Description:	Rental & Leasing Companies Tax Matrix	Issuance Date:	11-03-2022
		Revision Date:	03-28-2025

The taxability of sales and purchases of tangible personal property and labor services by rental and leasing 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 rental and leasing 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 retailers' 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 Rental and Leasing Companies:	Taxable/Exempt
Rental and lease charges to a customer for tangible personal property where tax was not paid at the time of purchase	Taxable
Rental and lease charges to a customer for tangible personal property where tax was paid at the time of purchase	Exempt
Rental and lease charges to a customer with an exemption certificate provided	Exempt
Leases with an option to purchase the property (the additional amount paid for the purchase of the property)	Taxable
Optional fees	Exempt
Mandatory fees	Taxable

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Sales by Rental and Leasing Companies (continued):	Taxable/Exempt
Rental and lease charges where possession of tangible personal property takes place in Missouri	Taxable
Rental and lease charges where possession of tangible personal property takes place outside the state of Missouri and then delivered to the customer in Missouri	Taxable
Charges to customers for repair or replacement parts where the lessor did not pay tax on the original purchase	Taxable
Charges to customers for repair or replacement parts where the lessor did pay tax on the original purchase	Exempt

Purchases by Rental and Leasing Companies:	Taxable/Exempt
Items and equipment purchased exclusively to rent to others with a resale exemption certificate	Exempt
Items and equipment purchased exclusively to rent to others without a resale exemption certificate	Taxable
Repair parts provided to the lessee at no additional charge and the lessor collects tax on the lease payments (purchased with resale exemption certificate)	Exempt
Repair parts purchased with resale exemption certificate where the lessor charges the lessee for parts and collects tax	Exempt
Motor vehicles and accessories not in rental inventory	Taxable
Repair parts of motor vehicles and accessories, including lifts, and other mechanical equipment not in rental inventory	Taxable
Repair and replacement parts for repairing, altering, or maintaining the rental company's tangible personal property for items not exclusively for rental such as tools, computers, printers, copiers, and security equipment etc.	Taxable
Furniture and fixtures including but not limited to: desks, lamps, tables, chairs, artwork, signs, plants and planters, shelving etc.	Taxable
Office supplies, business cards, paper, toner, cartridges, etc.	Taxable
Laptop and desktop computers, copiers, printers, fax machines, calculators, and other similar equipment not in rental inventory	Taxable
Janitorial supplies	Taxable
Pest control services	Exempt

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Purchases by Rental and Leasing Companies (continued):	Taxable/Exempt
Educational materials such as: posters, printed materials, and literature etc.	Taxable
Utilities	Taxable
Specialty advertising	Taxable
Media advertising	Exempt
Donations of tangible personal property	Taxable
Promotional items purchased by a company including but not limited to: calendars, mugs, clothing etc.	Taxable
Security cameras & other security related equipment purchased	Taxable
Security monitoring service	Exempt
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
Newspaper and magazine subscriptions, (including promotional brochures, etc.), reference books and materials etc.	Taxable
Educational materials, posters, maps or other publications	Taxable
Warranty or service agreements for tangible personal property not in rental inventory such as: equipment and tools, computers, printers, copiers, and security equipment, etc.	Exempt