TAXPAYER SERVICE DIVISION

FYI – For Your Information

Special Regulation: Automotive Repairs

Parts and accessories installed in automotive vehicles are of the same nature as other sales of tangible personal property and, accordingly, are taxable. The taxable amount is the total charge made to the customer, with deductions therefrom allowed for service or labor charges if separately stated.

If the repair of an automobile is subcontracted to another repairman by the customer's repairman, the subrepairman will charge sales tax to the customer's repairman on the retail price of the parts used in the repair job unless specifically instructed that the job is for resale, in which case the tax will be billed to the customer by the customer's repairman. In either case, an itemized bill from the subrepairman must be available to the customer to show that tax was charged by one or the other repairman.

Automobile dealers, garages, repairmen, etc., may purchase tax free only tangible personal property for resale. This exemption does not apply to service vehicles, machinery, equipment, supplies, tools, etc., which they purchase for their own use or consumption and not for resale. Supplies consumed in the performance of a job, such as sandpaper, masking tape, etc., are taxable to the repairman.

Citation:
Automotive Repairs, Special Regulations for Specific Businesses, 1 CCR 201-5, page 4.

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