



DEPARTMENT OF REVENUE

INDIANA GOVERNMENT CENTER NORTH
100 N. SENATE AVE

INFORMATION BULLETIN #87
SALES TAX
NOVEMBER 2015
Effective Date: Upon Publication

SUBJECT: Required Product Labels

REFERENCES: IC 6-2.5-5-50

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INTRODUCTION

In general, all sales of tangible personal property are taxable. However, an exemption from the state gross retail tax exists for certain labels required by state or federal statute or regulation.

EXEMPTION

Transactions involving labels are exempt from the state gross retail tax if:

- (1) the labels will be affixed to other tangible personal property being sold by a retail merchant; and
- (2) the person acquiring the labels is required to affix the labels to the other tangible personal property for the purpose of complying with any state or federal statute or regulation.

Labels may be purchased exempt from tax if the purchaser is required by state or federal statute or regulation to affix them to tangible personal property. The required labels must be affixed to tangible personal property being sold by a retail merchant.

Examples of labels that may be purchased exempt include, but are not limited to, stickers on electrical appliances warning consumers the appliances are not to be used in or near water; food labels containing FDA-required information such as nutritional content and ingredient lists; window stickers (Monroney stickers) reporting fuel economy and crash test ratings on new vehicles for sale, as required by EPA and NHTSA; and other labels required by state or federal statute or regulation.

Andrew Kossack, Commissioner