



Advertising Agencies

Advertising agencies engaged in furnishing advertising services to their customers are required to pay sales tax on purchases of tangible personal property used in rendering their services.

Agencies engaged in selling tangible personal property at retail in connection with the performance of their services must be licensed to collect sales tax.

EXAMPLES

1. ABC Advertising Agency buys supplies for the development of design projects (clip art software, supplies for storyboard preparation, etc.). Sales tax should be charged by the vendor of the supplies.
2. ABC Advertising Agency designs an annual report for the XYZ Corporation. An outside printer is engaged by ABC to do the printing. A single charge to XYZ Corporation for the in-house design work and for printing the report is taxable. If the design charge is separately stated, only the charge for printing the report (including agency markup of printing) is taxable.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.