DEPARTMENT OF STATE REVENUE
Information Bulletin #66
Sales Tax
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SUBJECT: Exemption from the Sales Tax for Purchases of Consumable Items by People Engaged in the Business of Renting or Furnishing Rooms, Lodgings or Accommodations

REFERENCE: IC 6-2.5-5-35

I. General Information:

IC 6-2.5-5-35 provides an exemption from the sales tax if the person acquiring the property is engaged in the business of renting or furnishing rooms, lodgings, or accommodations in a commercial hotel, motel, inn, tourist camp, or tourist cabin, and the property acquired is used up, removed, or otherwise consumed during the occupation of the room by a guest, or the property is rendered not reusable after the property's first use by a guest during the occupation of the rooms, lodgings, or accommodations.

II. Items Considered Exempt:

Items that would be included are complimentary toiletry items such as soap, shampoo, tissue paper, plastic cups and any other items not reusable.

III. Non Exempt Items:

The purchase of beds, linens, television sets and other furniture would not be exempt when they are purchased by the person engaged in the business of renting or furnishing room, lodgings or accommodations. The exemption provided in IC 6-2.5-5-35 does not apply to the purchase or use of electricity, water, gas or steam.

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John Eckart
Commissioner

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