INFORMATION BULLETIN #25

SALES TAX

DECEMBER, 2002

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SUBJECT: Floriculturists, Horticulturists and Arboriculturists

REFERENCES: IC 6-2.5-4, IC 6-2.5-5-5.1, 45 IAC 2.2-5-13

I. Sales by Such Merchants

All persons engaged in the business of floriculture, horticulture or arboriculture are retail merchants. All persons so engaged must collect Indiana Sales Tax on the sale of all tangible personal property such as shrubs, trees, flowers, etc. If the tangible personal property is sold to the purchaser by such merchants and installed by the seller, the total charge is subject to sales tax unless the selling price of the plants is segregated from the cost of labor and service.

All floriculturists, horticulturists and arboriculturists shall obtain a Registered Retail Merchant's Certificate ("RRMC") from the Indiana Department of Revenue. The sales tax that is collected shall be remitted to the Indiana Department of Revenue on the forms provided by the Department.

II. Sales to Such Merchants

The sale of any tangible personal property as a material which is to be directly used or consumed in direct production by a floriculturist, horticulturist or arboriculturist in the business of producing tangible personal property shall not be subject to the Indiana Gross Retail Tax (i.e., Sales and Use Tax). To purchase such tangible personal property exempt, the floriculturist, horticulturist or arboriculturist must use a General Exemption Certificate, Form ST-105, and submit it to each supplier.

Purchases of tangible personal property by such merchants that are not to be used directly in the direct production of tangible personal property and not for resale shall be subject to the State Gross Retail Tax (i.e., Sales and Use Tax).

Kenneth L. Miller
Commissioner