

## Are Construction Contractors Subject to Tax on Purchases of Tangible Personal Property That Are Incorporated into the Realty of Their Customers?

The chart entries are based on state tax department responses to surveys. The links to CCH paragraphs are to general information on the same or related subject matter, which may not include a discussion of specific details treated by the survey.

State	Are Construction Contractors Subject to Tax on Purchases of Tangible Personal Property That Are Incorporated into the Realty of Their Customers?	Comments
Alabama	Yes	
Arizona	No	
Arkansas	Yes	
California	Construction contractors owe tax either as the consumer or seller, depending on the facts.	
Colorado	No	
Connecticut	Yes	
District of Columbia	Yes	
Florida	Yes	
Georgia	Yes	
Hawaii	Yes	
Idaho	Yes	
Illinois	Yes, use tax liability on their cost price of materials. See Ill. Admin. Code tit. 86 §130.2075(a)(2).	
Indiana	Yes	
Iowa	Yes	
Kansas	Yes	
Kentucky	Yes	
Louisiana	Yes	
Maine	Yes	
Maryland	Yes	
Massachusetts	Yes	
Michigan	Yes	
Minnesota	Yes	
Mississippi	Yes, all residential and commercial < \$10,000.	
Missouri	Yes	
Nebraska	Yes, based on the option selected.	
Nevada	Yes	
New Jersey	Yes	
New Mexico	No	
New York	Yes	
North Carolina	Yes	
North Dakota	Yes	
Ohio	Yes	
Oklahoma	Yes	
Pennsylvania	Yes	
Rhode Island	Yes	
South Carolina	Yes	
South Dakota	Yes	
Tennessee	Yes	
Texas	Construction contractors under lump-sum contracts that do new construction or who do residential real property improvements are consumers. Construction contractors who do new construction and separate the charges for material and labor are retailers and purchase material for resale but must collect tax on the charge for material. Construction contractors that remodel or repair nonresidential real property under either lump-sum or separated contracts are retailers performing taxable services and purchase materials for resale.	
Utah	Yes	
Vermont	Yes	
Virginia	Yes	
Washington	No	Assuming contractor does not own the land (i.e., contractor is not speculatively building)
West Virginia	Yes	
Wisconsin	Yes	
Wyoming	Yes	

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