

**ADMINISTRATIVE GUIDELINES**  
**PRINTING SERVICES DELIVERED OUT OF CBJ**  
**Procedure 427**

*Printing services resulting from orders received from outside the City and Borough where delivery of the printed material is made to the nonresident purchaser outside the City and Borough by mail or common carrier.*

The State of Alaska, Department of Commerce and Economic Development, Business Licensing classifies printers as a manufacturer. This is based on the Standard Industrial Code classifications (SIC). In 1983, the CBJ Assembly recognized the need for an exemption for printing services resulting in printed material ordered from and delivered to a point outside the city and borough and adopted CBJ 69.05.040 (27).

The sales tax office has defined **printing services** as those services necessary to the manufacture of tangible personal property (printed material). Exempt printer services include typesetting, plate making, imprinting and all processes or operations connected with the preparation of paper or paper like substances, the reproduction thereon of characters or designs and the alteration or modification of such substances by finishing, binding.

To qualify for exemption, the order must result in **printed material** being delivered outside the borough. Transfer of designs or text by electronic media or disk would not qualify under 69.05.040 (27).

To document this exemption, maintain a phone log, receipt of a purchase order, written request, or sample. In addition, to document shipment, maintain postal receipts, air bills, bill of lading, or similar records of payment for freight or delivery services. Such documentation must be maintained in a way that allows association of the invoice with the freight bill.

**PRINTERS AS A PROVIDER OF A SERVICE**

The State of Alaska, Department of Commerce and Economic Development, Business Licensing does not classify photocopying and duplicating services or commercial art and graphic design as a manufacturing process. The Standard Industrial Code classifications (SIC) for these industries is separate and apart from the printing industry under business services.

The following services would not be covered under CBJ 69.05.040 (27) as printing services nor would they be exempt under CBJ 69.05.040 (3):

photocopying and duplicating services  
commercial art and graphic design

Photocopying, duplicating services, commercial art and graphic design services performed within CBJ are taxable regardless of the location of the purchaser.

Tax at the rate of 5% must be collected on the selling price of these services when performed within CBJ unless the sale clearly falls within an exemption defined under CBJ 69.05.040. Services performed within CBJ must be reported in gross sales on the CBJ sales tax return. Sales satisfying exemption qualifications must then be identified by exemption number and deducted from gross sales in order to determine net taxable sales.