

**8130.9400 ADVERTISING SIGNS AND BILLBOARDS.**

Subpart 1. **Sign painters.** The sales and use tax applies to retail sales of metal, wood, cardboard, paper, or other type signs, showcards, posters, etc. which are not attached or affixed to real estate by the sellers thereof. Purchases by sign manufacturers or painters of paint and other materials entering into or becoming component parts of such signs, showcards, and posters are exempt. Charges by sign painters for painting signs on buildings, outdoor boards, windows, or other real property, trucks, and similar properties owned by others are exempt as charges for personal services. The sign painter is considered the user or consumer of all paint, etc. used for this purpose and must pay sales or use tax, whichever is applicable, upon all purchases thereof.

Subp. 2. **Sales of realty.** Contracts under which the sellers provide signs and attach them to buildings or to structures bolted to buildings or to structures anchored in the ground by means of wood or steel poles or other similar means, so that the signs become nontemporary accessions to such buildings or structures, are deemed to be contracts for the alteration of real property and are thus not transactions subject to the sales tax. Persons who provide and install such signs are the consumers of, and must therefore pay tax on, all purchases of, all component parts, materials, and supplies used in the construction, repair, and maintenance thereof.

Subp. 3. **Sign rentals.** The lease charges for rental of real property are not subject to tax. Charges for the lease of signs attached to real property are not taxable. The signs, when attached to buildings, are fixtures becoming real property upon being affixed.

Charges by tenants or owners of buildings, structures, or land for affixation thereon of signs are exempt as charges for the lease or license to use real property.

Subp. 4. **Outdoor advertising services.** Persons engaged in the business of selling advertising space (exposure time) on signs, billboards, and other outdoor advertising structures are deemed to be the consumers of all component parts, materials, and supplies used in the construction, repair, and maintenance of such signs and billboards. Sales to such persons of component parts, materials, and supplies are subject to tax. Charges by such persons for advertising space on such signs, billboards, and outdoor advertising structures are exempt as charges for personal services.

**Statutory Authority:** *MS s 270C.06; 297A.29*

**History:** *L 2005 c 151 art 1 s 114*

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