



**The Capital Improvement Rule:
Sales And Use Tax
Changes Affecting The Construction Trades**

This Publication has been prepared to provide persons in the construction trades and real estate owners including building contractors, home improvement contractors, carpenters, bricklayers, electricians, plumbers, roofers, heating and air conditioning contractors, pavers, landscapers, excavators and many others with general information about the application of West Virginia consumers sales and use taxes to purchases of construction materials and to charges for various services to real property. Related Publications available include Publication TSD-325 (incidental installation rule for certain retailers who sell and install wall to wall carpet, household appliances, draperies, awnings and certain other household improvements); and Publication TSD-315 (incidental installation rule for mobile home dealers). The special rules discussed in those Publications are not addressed herein. The purpose of this Publication is to provide general information. It is not a substitute for tax laws or regulations.

This Publication is separated into two major parts. Part 1 provides a general explanation of the new sales tax rules for persons in the construction trades. Part 2 provides a listing of jobs classified as either "capital improvements" or taxable services to buildings and other structures.

If you have any questions concerning how this law change affects your particular business contact:

West Virginia State Tax Department

Taxpayer Services Division
P.O. Box 3784
Charleston, WV 25337-3784

Telephone: (304) 558-3333

Toll free: 1-800-WVA-TAXS (1-800-982-8297)

or visit our web site:

<http://www.state.wv.us/taxdiv>

TDD Service for the hearing impaired: 1-800-2TAXTDD (1-800-282-9833)

To order forms or publications please call the automated information system at:
(304) 344-2068 or 1-800-422-2075

PART 1. NEW RULES FOR PERSONS IN CONSTRUCTION TRADES

A. MANY PERSONS IN THE CONSTRUCTION TRADES ARE REQUIRED TO COLLECT SALES TAX FROM THEIR CUSTOMERS

The West Virginia consumers sales and use tax treatment of persons engaged in what have traditionally been termed “contracting” activities changed significantly in 1989. Under prior sales tax law, the term “contracting” was broadly defined as the furnishing of work, or both materials and work, for the construction, alteration, repair, improvement or decoration of a new or existing building or structure, or any part thereof, or the alteration, improvement or development of real property. Accordingly, almost any construction, repair or improvement to buildings and structures or tangible personal property attached to buildings and structures was considered to be a “contracting” activity exempt from the imposition of sales tax. Persons engaged in contracting as so defined were not required to collect the tax from their customers.

On July 1, 1989, the taxability of many of these transactions changed. Many of the activities which had been considered “contracting” and exempt from the tax became subject to the tax necessitating that the persons performing the work collect the tax from their customers and remit the tax so collected to the State. Persons who fail to collect the proper amount of tax due from their customers are personally liable for the tax.

This change is the result of redefining the term “contracting” in the sales tax law. The law now defines the term “contracting” to include only those alterations, repairs, improvements and decorations that constitute “capital improvements”. Therefore, for West Virginia consumers sales tax purposes, services to real property must be classified either as capital improvements or as non-capital improvement repairs, maintenance or installation services.

For West Virginia consumers sales tax purposes, a **CAPITAL IMPROVEMENT** is any addition or alteration to real property which meets **ALL THREE** of the following requirements:

1. It substantially adds to the value of real property or appreciably prolongs the useful life of the real property: **AND**
2. It becomes part of the real property or is permanently affixed to the real property so that removal would cause material damage to the property or article itself; **AND**
3. It is intended to become a permanent installation or to remain there for an indefinite period of time.

Accordingly, the imposition of tax on services performed on real property depends on the results of those services. If the end result of a service is simply the repair or maintenance of real property, that service is taxable. If the end result of the same service is a capital improvement to the real property, the service is considered to be “contracting” and is not taxable.

The practical effect of this change is that after June 30, 1989 persons in the construction trades who make alterations and repairs that are not considered to be capital improvements will not be considered to be engaged in an exempt “contracting” activity for sales tax purposes. These persons will be considered to be providing a taxable service and in some cases selling tangible personal property. They will generally be required to collect the sales tax on both the services (labor) they provide their customers and on any appliances, equipment or materials sold to their customers in conjunction with the work they perform.

B. PERSONS IN THE CONSTRUCTION TRADES REQUIRED TO COLLECT TAX MUST TIMELY REMIT THE TAX COLLECTED TO THE STATE

Many persons in the construction trades are not currently registered with the State Tax Department to collect and remit consumers sales tax. If you are now required to collect tax, you must contact the State Tax Department so that a consumers sales tax account is established for your business. When a sales tax account is established, the Tax Department will automatically provide you with the proper form (WV/CST-200) to remit the sales tax collected. It is your responsibility to timely file the proper form and to remit the amounts required to be collected.

Generally, the sales tax collected by a person required to collect tax (a “vendor”) is due monthly. If a vendor collects over \$250.00 in tax each month, the tax must be remitted by the 20th day of the following month. However, if a vendor collects less than \$250.00 of sales tax each month, the vendor may file a quarterly sales tax return due on the 20th day of the month following the close of each calendar quarter.

Failure to file a tax return, late filing of a return or late payment of the tax will subject a vendor to penalty and interest charges. See Publication TSD-345 for more information about vendor responsibilities.

C. MANY PURCHASES FOR USE IN THE CONSTRUCTION TRADES ARE NOW TAXABLE

The 1989 changes to consumers sales tax law also affect the consumers sales tax status of purchases of property and services by persons in the construction trades for use in their business activities.

As mentioned above, a person in the construction trades making capital improvements for his customer is not required to collect sales tax from his customer. However, the contractor making capital improvements must generally pay sales or use tax on all machinery, equipment, tools, and materials he purchases for use in his business and for use or consumption in making the capital improvement.

On the other hand, a person who makes an alteration, repair, improvement or decoration to a building, structure or real property that is not a capital improvement is providing a “taxable service” and must collect the sales tax from his customer on both the labor and materials used in providing the taxable service. The taxable service provider who collects sales tax from his customers must pay sales tax on purchases of various business-related items, such as office furniture, office supplies, machinery, equipment, tools and materials. However, the taxable service provider may purchase parts, materials and appliances tax free if those items are resold to his customers in conjunction with providing the taxable service. In order for the taxable service provider to purchase these items tax free, the items must be resold and physically transferred to the customer. The taxable service provider may claim this limited exemption by providing the supplier from whom he makes the purchase a properly completed certificate of exemption claiming the exemption for purchases made for resale.

The following example illustrates the new rules for persons in the construction trades as discussed in Part 1 of this Publication.

A painting business contracts with the owner to paint a newly constructed building. The painting contractor is making a “capital improvement” to the building because the original painting of a newly constructed building adds to the value of the building and prolongs the useful life of the building. The paint becomes a part of the building and is permanently affixed. The painting contractor would pay sales or use tax on all equipment, tools and materials (including the paint) he purchases for use in this contracting activity.

Five years later the owner of the same building hires the painting contractor to repaint the building. The painting contractor must collect the sales tax from his customer on both his material and labor charges because he is not making a capital improvement to the property. Repainting an existing building is only restoring the building to its original state. The painting contractor will not be required to pay sales tax on purchases of any materials which will remain in or on the building (primer, paint, etc.) and which will become the property of the customer. To claim this exemption the painting contractor must issue a certificate of exemption claiming the exemption for resale. The painting contractor must pay sales tax when he purchases office supplies, equipment, tools or materials which will be used in providing his service and which will not be physically transferred to his customer in conjunction with the provision of his service.

The following tables summarize the sales tax rules for persons in the construction trades as discussed in Part 1 of this Publication.

SUMMARY OF SALES TAX RULES FOR PERSONS IN THE CONSTRUCTION TRADES

If the result of work on a structure, building or real property is a

CAPITAL IMPROVEMENT

When a property owner purchases . . .

- materials only and performs his own labor, the property owner generally pays tax to the supplier.
- materials directly from the supplier and hires a person in the construction trades to perform the labor, the property owner generally pays tax to the supplier but not to the person in the construction trades.
- materials and labor from the person in the construction trades, the property owner pays no tax.

When a person in the construction trades purchases . . .

- materials, equipment or supplies, the person in the construction trades generally pays tax to the supplier on all items.

If the result of work on a structure, building or real property is simply a repair, maintenance or installation service and is

NOT A CAPITAL IMPROVEMENT

When a property owner purchases . . .

- materials only and performs his own labor, the property owner generally pays tax to the supplier.
- materials directly from the supplier and hires a person in the construction trades to perform the labor, the property owner generally pays tax to both the supplier and the person in the construction trades.
- materials and labor from the person in the construction trades, the property owner generally pays tax to the person in the construction trades on the total charge.

When a person in the construction trade purchases . . .

- materials, equipment or supplies, the person in the construction trades generally pays tax to the supplier on all items except for materials resold and physically transferred to the property owner. To purchase the resold items tax free, the person in the construction trades must properly complete and issue an exemption certificate to the supplier.

The foregoing discussion, example and summary illustrate the significance of the distinction for West Virginia consumers sales and use tax purposes of whether or not the result of work on buildings, structures or real property constitutes a “capital improvement”. The remainder of this Publication provides a listing of jobs classified either as capital improvements or as taxable repair, maintenance or installation services.

**PART 2. CLASSIFICATION OF CAPITAL IMPROVEMENTS AND
TAXABLE REPAIRS, MAINTENANCE OR INSTALLATION**

Air Cleaners	5	Steam	14
Air Conditioners	5	Insulation	14
Bathrooms	5	Warm Air Duct System	14
Brickwork	6	Wood Burning Furnace, Stove	15
Central Air Conditioning	6	Hot Water Heaters	15
Chimneys	6	Humidifiers	15
Doors	7	Kitchens	16
Driveways, Parking Lots and Walks	7	Miscellaneous	16
Electrical	8	Attic Fans	16
Exterior	8	Heat Detectors	16
Awnings	8	Debris Removal	16
Excavation	8	Mail Boxes	16
Fence	8	Pest and Insect Control	16
Gutters and Downspouts	8	Smoke Detectors	16
Insulation	8	Painting	17
Snow Removal	8	Patios	17
Swimming Pools	8	Plumbing	17
Water Wells	8	Piping	17
Fire, Water, Wind Damage	9	Insulation	17
Fireplaces	9	Water Softeners	17
Floor Coverings	10	Sinks	18
Garage Doors	10	Toilets	18
Heating	11	Tubs and Showers	18
Coal	11	Roofs	19
Electric	11	Gutters and Downspouts	19
Electric Boiler	11	Septic Systems	19
Electric Furnace	11	Stairs	19
Gas	12	Sump Pumps	20
Heat Pump	12	Ventilation	20
Hot Water	12	Walls	20
Insulation	13	Windows	21
Oil	13	Yard Care	22
Radiant	13		
Solar	14		

AIR CLEANERS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Repair or replacement of the following in self-contained or central units:

Collector Plates	Filters	Return Air Ducts
Electronic Plates	Power Boxes	Sails

- Installation or replacement of self-contained air cleaners

CAPITAL IMPROVEMENT (EXEMPT)

- Installation of central air cleaner systems
- Original installation of ductwork or required additional ductwork
- Replacement of complete central air cleaner units

AIR CONDITIONERS (other than central air conditioning systems)

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Repair or replacement of the following in in-window or through the wall mounted units:

Air Flow Controls	Copper Tubing	Filters
Blowers	Fans	Grilles
Casings	Fan Motors	Motors
Compressors		

- Installation or replacement of window air-conditioners
- Replacement of through-the-wall mounted units.

CAPITAL IMPROVEMENT (EXEMPT)

- Original installation of through-the wall mounted units.

See also "*Central Air Conditioning*"

BATHROOMS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Repair of:

Cabinets	Shower Heads	Tubs
Exhaust Fans	Sinks	Tub or Shower Enclosures
Faucets	Toilets	Vanities
Mirrors		

- Replacement of faucets and shower heads

CAPITAL IMPROVEMENT (EXEMPT)

- Complete remodeling of bathrooms (toilet, tub, and vanity)
- Complete installation or replacement (including any necessary fixtures) of:

Cabinets
Exhaust Fans
Sinks

Tile (floor or wall)
Toilets
Tubs

Tub or Shower Enclosures
Vanities

See also *“Electrical,” “Plumbing,” and “Walls”*

BRICKWORK

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Fixing cracks
- Replacing damaged bricks
- Repainting
- Sandblasting

CAPITAL IMPROVEMENT (EXEMPT)

- Construction of new or complete replacement of brick:

Chimneys
Exterior Surfaces

Fireplaces
Stairs or Steps

Structures
Walls

CENTRAL AIR CONDITIONING

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Maintenance Contracts
- Repair or replacement of:

Blowers
Coils
Compressors
Condenser Coils

Control Devices
Ductwork Sections
Refrigerant Tubes
Fans

Filters
Refrigerant
Excess Moisture Drains

CAPITAL IMPROVEMENT (EXEMPT)

- Installation of central air conditioning systems
- Original installation of ductwork or required additional ductwork
- Replacement of complete central air conditioning units

CHIMNEYS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Chimney cleaning
- Fixing cracks
- Installation of spark arrestors
- Reporting
- Sealing of flashings
- Repair or replacement of:

Caps
Damaged Bricks
Flues

Flashings
Loose Mortar
Pots

Rain and Draft Deflectors

CAPITAL IMPROVEMENT (EXEMPT)

- Installation of new chimneys

DOORS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Addition of paneling
- Caulking (interior/exterior)
- Elimination of binding or looseness
- Installation of the following items in existing door:

Closers	Mailslots	Weather Stripping
Decorative Moldings	Peepholes	
Kickplates	Thresholds	

- Repair of existing doors
- Repair or replacement of:

Casings	Hinges	Stiles
Closers	Jambs	Stops
Door Frames	Locks or Latches	Thresholds
Door Knobs	Panels	Top Rails
Glass Panes	Saddles	Trim
Handles	Screens	Weather Stripping
Head Jambs		

- Painting, varnishing or staining existing doors
- Weather stripping

CAPITAL IMPROVEMENT (EXEMPT)

- Closing of doorways
- Cutting of doorways
- Installation or replacement of doors, or doors and frames, or storm doors with related hardware
- Painting, varnishing or staining a new door

DRIVEWAYS, PARKING LOTS AND WALKS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Replacement of:

Cobblestones	Flagstones	Crushed Stone with Oil
Crushed Stone	Gravel	

- Repairing and patching of holes and cracks
- Replacing sections of concrete or blacktop driveways, parking lots and walks
- Sealing and dressing

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or complete repaving of driveways, parking lots and walks

ELECTRICAL

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Installation of dimmer switches
- Repair of lighting fixtures
- Repair or replacement of:

Circuit Breakers	Fuses	Fluorescent Fixture Parts: (Ballasts, Starters, Tubes)
Door Bells	Light Bulbs	Switches
Door Buzzers	Outdoor Lampposts	Wall boxes
Door Chimes	Outlets	Wiring
Floor Outlets	Receptacles	

CAPITAL IMPROVEMENT (EXEMPT)

- Complete wiring or rewiring of structures or the upgrading of a service
- Original installation of:

Add-on Panels	Flood Outlets	Outlets
Ceiling Fixtures	Fluorescent Fixtures	Receptacles
Circuit Breakers	Main Power Boxes	Switches
Door Bells	Metal Raceways	Wall Boxes
Door Buzzers	Multi-outlet Strips	Wall Fixtures
Door Chimes	Outdoor Lamp Posts	

EXTERIOR

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning of above or inground swimming pools
- Installation of:

Aboveground Swimming Pools (including Pumps, Filters, etc.)
Canvas Awnings

- Patching cracks
- Painting existing:

Awnings	Concrete	Fences
Brickwork	Exterior Surfaces	Railings

- Repair of louvers
- Repair or maintenance of:

Awnings (other than canvas)	Patios Decks	Water Well Pumps Inground Swimming Pools (including pump, filters, etc.)
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- Repair, replacement or maintenance of:

Canvas Awnings	Flashings	Aboveground Swimming Pools (including pumps, filters, etc.)
Gates	Shingles	Fence Pickets, Posts, Rails or Sections
Siding (partial)		

- Excavation work-if for repair and maintenance
- Snow removal
- Deepening existing water wells

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to existing structures
- Application of siding to structures
- Replacement of Porches
- Re-siding of structures
- Construction of:

Dormers	Garages	New Porches
Foundations	New Homes	New Decks

- Excavation work-if for a capital improvement
- Insulating structures
- Installation of new or replacement of existing:

Fences	Louvers	Awnings (other than canvas)
Water Well Pumps		Gutter and Downspout Systems

- Installation of inground swimming pools
- Painting of new structures
- Drilling or boring new water wells

See also "Yard Care"

FIRE, WATER, WIND DAMAGE

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Deodorizing
- Refinishing floors
- Removal of water or debris
- Repainting
- Replacement of broken glass

CAPITAL IMPROVEMENT (EXEMPT)

- Rehabilitation of damaged structures (See appropriate sections for work preformed.)

FIREPLACES

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Fixing cracks
- Repainting
- Repair or replacement of:

Ash Pits	Firebricks	Lintels
Cold Air Inlets	Firechambers	Mantels
Damaged Bricks	Flues	Smoke Chambers

Dampers
Damper Controls
Fireboxes

Headers
Hearths

Smoke Shelves
Warm Air Outlets

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of fireplaces (other than freestanding fireplaces.)

FLOOR COVERINGS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Sanding
- Stripping
- Refinishing
- Repairing or partial replacement of:

Floor tiles

Hardwood Flooring

Carpeting

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or complete replacement of:

Floor tiles*

Linoleum*

Subflooring

Wall to Wall Carpet*

Hardwood floor*

*Taxable when sold and installed by a **retail dealer** and installation is incidental to the sale. See Publication TSD-325.

GARAGE DOORS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Adjustment of spring tension
- Lubrication of parts
- Maintenance of electric garage door openers and controls
- Painting, varnishing or staining of existing garage doors
- Weather stripping
- Repair or replacement of:

Casings

Jambs

Springs

Door Frames

Locks

Stiles

Door Sections

Panels

Stops

Glass Panes

Rollers

Tracks

Hinges

Saddles

Trim

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of complete garage doors
- Painting, varnishing or staining of new garage doors

HEATING - COAL

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Coal Screws
Fan Motors
Junction Boxes

Supply Lines
Thermostats
Transformers

Stoker Motors or Relays
Times
Wind Boxes

CAPITAL IMPROVEMENT (EXEMPT)

- Replacement or installation of coal heating systems.

HEATING - ELECTRIC

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair of baseboard heaters and wall heaters

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to permanently installed electric heating systems
- Installation or replacement of permanently installed electric heating units or systems

HEATING - ELECTRIC BOILER

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Automatic Airvents
Circulators
Controls
Drain Valves

Expansion Tanks
Heating Elements
Pressure Controls
Relief Valves

Return Lines
Supply Lines
Thermostats

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of electric boilers

HEATING - ELECTRIC FURNACE

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts

- Repair or replacement of:

Blowers	Fuses	Low-Voltage Terminals
Condensers	Relays	Thermostats
Elements	Sequencers	Transformers
Filters		

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of electric furnace

HEATING - GAS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Burner Heads	Main Gas Valves	Main Shutoff Valves
Draft Hoods	Pilot Gas Lines	Pressure Regulators
Filters	Vent Pipes	Safety Thermostat Elements
Safety Control Valves		

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of gas furnace

HEATING - HEAT PUMP

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Blowers	Coils	Compressors
Valves		

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of heat pump units

HEATING - HOT WATER

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Bleeding of radiators
- Cleaning
- Flushing of boilers
- Maintenance contracts
- Repair or replacement of:

Air vent Valves
Boiler Tubes
Circulating Pumps
Coils
Drain Cocks
Expansion Tanks

Return Mains
Risers
Supply Mains
Thermostats
Radiators
Water Supply Lines

Furnace Controls
Main Shutoff Valves
Piping (sections)
Pressure Reducing Valves
Pressure-relief Valves

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to hot water systems
- Installation or replacement of hot water boilers or systems
- Insulation of piping systems

HEATING - OIL

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair of oil burner guns
- Repair or replacement of:

Air Tubes
Blowers Tubes
Fuel Lines

Refractory Firepots
Stack-control Relays
Motors

Oil-level Control Valves
Strainer Pumps
Transformers

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of oil furnaces
- Original installation or replacement of oil tanks
- Installation or replacement of oil burner guns

HEATING - RADIANT

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning of furnace systems
- Maintenance contracts
- Repair or replacement of:

Balancing Valves
Circulating Pumps
Coils
Common Returns

Drain Cocks
Feed Lines
Furnace Controls
Returns

Shutoff Valves
Tanks (to trap air)
Thermostats
Vents

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to radiant systems
- Complete replacement of radiant systems
- Installation of radiant systems

HEATING - SOLAR

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or maintenance of solar heating systems

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to permanent solar systems
- Installation or replacement of permanent solar systems
- Insulation of piping system

HEATING - STEAM

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning of furnace systems
- Maintenance contracts
- Repair or maintenance of:

Air Vents	Reducers	Thermostats
Drain Cocks	Safety Valves	Water Gauges
Drain Plugs	Shutoff Valves	Water Supply Lines
Piping (sections)	Steam Gauges	Wet Returns
Radiators	Steam Mains	

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to steam systems
- Installation or replacement of steam boilers or systems
- Installation of piping systems

HEATING - WARM AIR DUCT SYSTEM

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Repair or replacement of:

Angle Boots	Elbows	Side Stack Takeoffs
Balance Dampers	Floor Defusers	Starting Collars
Cold Air Returns	Plenums	Supply Stackheads
Duct Sections	Plenum Takeoffs	Top Stack Takeoffs
Endcaps		

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to warm air duct systems
- Installations or replacement of warm air duct systems
- Insulation of duct systems

HEATING - WOOD BURNING FURNACE, STOVE

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Installation of wood burning stoves
- Repair and maintenance of wood burning furnaces or stoves

CAPITAL IMPROVEMENT (EXEMPT)

- Replacement or installation of wood burning furnaces

HOT WATER HEATERS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Anode Rods
Burners
Casing Covers
Connectors
Drain Pipes
Thermostats

Drain Valves
Draft Diverters
Glass Inner Tanks
Heating Elements
Inlet-Outlet Pipes

Flue Baffles, Bodies Collars
Outlet Pipes
Tank Linings
Temperature Control Knobs
Temperature-Pressure Valves

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of hot water heaters*

*Taxable when sold and installed by a **retail dealer** and the installation is incidental to the sale

HUMIDIFIERS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Maintenance contracts
- Repair or replacement of:

Evaporator Pads
Trays

Fans

Motors

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of permanently installed humidifiers

KITCHENS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Installation of ductless hoods
- Painting, Varnishing or staining of existing kitchen cabinets
- Repair or maintenance of:

Cabinets	Exhaust Fans	Ovens
Countertops	Faucets	Ranges
Dishwashers	Freezers	Refrigerators
Sinks	Garbage Disposals	Ducted or Ductless Hoods

- Replacement of:

Cabinet Doors	Portions of cabinets	Portions of Countertops
Faucets	Portable (Dishwashers, Freezers, Ranges, Refrigerators)	

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of:

Built-in Ovens*	Countertops	Built-in Dishwashers*
Built-in Freezers*	Ducted Hoods	Built-in Refrigerators*
Built-in Ranges*	Exhausted Fans	Kitchen Cabinets
Sinks	Water Softeners*	Garbage Disposals*

- Painting, varnishing or staining of new kitchen cabinets

See also *“Electrical,” “Plumbing,” and “Walls”*

*Taxable when sold and installed by a retail dealer and the installation is incidental to the sale of the appliance.

MISCELLANEOUS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Debris removal from construction sites
- Installation or replacement of:

Attic Fans (removable)	Smoke Detectors (battery operated)	Mail boxes (installed on wall or post)
Independent Smoke or Heat Detectors		Satellite Dishes

- Periodic maintenance services on elevators and escalators
- Pest control
- Repair or maintenance of central vacuum systems

CAPITAL IMPROVEMENT (EXEMPT)

- Debris removal from construction sites if done by the contractor
- Fire sprinkler system installed in ceilings and connected to water supply systems
- Installation or replacement of:

Suspended Ceilings	Central Vacuum Systems	Attic Fans (permanently installed)
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- Labor costs for winter protection, temporary heat, electric and plumbing at construction sites

PAINTING

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Painting or repainting of existing buildings or structures or parts thereof

CAPITAL IMPROVEMENT (EXEMPT)

- Painting of new buildings, structures or additions
- Painting of any new installations which constitute capital improvements

PATIOS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Painting, varnishing or waterproofing existing patios
- Repair or maintenance of patios
- Repairing and patching of holes or cracks
- Replacing sections of concrete patios
- Replacement of blocks and flagstones

CAPITAL IMPROVEMENT (EXEMPT)

- Complete installation or replacement of:

Blacktop Patios	Patio Roofs	Flagstone, Block or Brick Patios
Concrete Patios	Wood Patios	

- Painting, varnishing or waterproofing new patios

PLUMBING-PIPING

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Fixing leaking pipes
- Removal of roots from sewer pipes
- Repair of sprinklers, water softeners and well pumps
- Replacement of:

Adapters	Coupling Sleeves	Reducers
Bends	Elbows	Sanitary T's
Branches	Flangers	Shield and Clamp Assemblies
Bushings	Hose Adaptors	Soil P Traps
Caps	Long Sweeps	T-Fittings
Cleanouts	Piping Sections	Copper Tubing Sections
Traps	Unions	Plastic Tubing Sections
Couplings	Plugs	

- Repair or replacement of:

Air Chambers	Relief Valves	Traps
Cabinets	Shutoff Valves	

CAPITAL IMPROVEMENT (EXEMPT)

- Additions to piping systems
- Insulation of piping systems
- Installation or replacement of:

Garbage Disposals
Piping Systems

Sprinkler Systems
Water Softeners

Water Pumps

PLUMBING - SINKS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Thawing frozen pipes
- Repair or replacement of:

Aerators
Bottom Cages
Couplings
Diverter Assemblies
Escutcheons
Faucets
Spouts

Handles
Handle Assemblies
Hose Guides
Inlet Seals
Locknuts, Connectors
Packing Nuts

Seats
Spray Heads
Stems
Traps
Washers
Hose Assemblies

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of sinks and necessary sink fixtures

PLUMBING

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Repair of enclosure
- Repair or replacement of:

Automatic Diverter
Cartridges
Ears
Faucets
Faucet Heads

Handles
Red Flats
Retainer Clips
Shower Bases
Shower Heads

Stems
Stop Tubes
Traps
Washers

- Unclogging of:

Main Drain Pipes
Tub-Shower Drains

Sink Drains

Toilet Drains

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement (including necessary fixtures) of:

Shower Stalls
Toilets

Tubs
Sinks

Tub Enclosures

ROOFS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Application of roof coatings or re-saturants to existing roofs
- Cleaning of all types of roof systems, gutters, downspouts, drains, etc.
- Repair or spot replacement of all types of roofs (asphalt, shingle, slate, tile, built-up, metal, single ply)
- Repair or replacement of the following items or accessories:

Copings	Metal Stacks	Gutter & Downspout Systems (partial)
Cornices	Heating Cables	Rain & Draft Deflectors
Drip Edges	Louvers & Screens	Shingles (all types)
Snow Guards	Metal Ornaments	Electric Heating Tape
Snow Slides	Expansion Joints	Metal or Composition Valleys
Ventilators	Flashings (all types)	Gravel Stops & Fascias
Skylights & Scuttles		

CAPITAL IMPROVEMENT (EXEMPT)

- Original installation of all types of roof systems including accessories
- Installation or replacement of complete gutter and downspout systems
- Complete replacement of a roof (entire building), or the complete side of a roof, or the complete roof on a wing, turret, dormer, etc.

SEPTIC SYSTEMS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning of septic systems
- Repair or maintenance of:

Dry Wells	Lines	Distribution Boxes
Grease Traps	Leach Fields	Seepage Pits
Septic Tanks		

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of:

Dry Wells	Lines	Distribution Boxes
Grease Traps	Leach Fields	Seepage Pits
Septic Tanks		

STAIRS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Eliminating squeaks
- Painting, varnishing or staining of existing stairs
- Tightening of loose balusters
- Repair or replacement of:

Balusters
Handrails
Newels

Risers
Termite Damage

Treads
Wet and Dry Rot

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of sets of stairs or staircases
- Painting, varnishing or staining of new stairs or staircases

SUMP PUMPS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Installation or replacement of portable sump pumps
- Repair or replacement (in permanent or portable sump pumps) of:

Motors
Floats

Electrical Cords
Shutoff Switches

Pump Suction Heads
Piping and Connectors

CAPITAL IMPROVEMENT (EXEMPT)

- Digging of sump pump holes
- Installation or replacement of permanent sump pumps

VENTILATION

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Installation or replacement of portable attic fans
- Repair or replacement of the following in permanent or portable attic or exhaust fans:

Bearings
Blades

Motors

Shutters

CAPITAL IMPROVEMENT (EXEMPT)

- Installation or replacement of permanent:

Attic Fans
Exhaust Fans

Roof Vents

Wind Turbines

WALLS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Cleaning
- Fixing nail pops
- Painting of existing walls (including murals)
- Patching cracks
- Regrouting of ceramic tile
- Repair of:

Dents
Wet and Dry Rot

Termite Damage

Split Wallboard Tape

- Replacement of:

Ceramic Fixtures
Wood Panels

Wallboard Panels
Damaged Ceramic Tiles

Existing Baseboards, Molding, Trim

- Stopping water leaks
- Taping of existing walls
- Wallpapering of existing walls

CAPITAL IMPROVEMENT (EXEMPT)

- Baseboards and trim installed in connection with paneling walls
- Baseboards and trim installed on new walls
- Complete paneling of new or existing walls
- Finishing of new walls
- Installation or replacement of tile walls
- * Installation or replacement of a wall
- Insulation of walls
- Painting of new walls (including murals)
- Wallpapering of new walls
- Waterproofing new walls

* Taxable when sold and installed by a retail dealer and installation is incidental to the sale. See Publication TSD-325

WINDOWS

REPAIR, MAINTENANCE OR INSTALLATION OF TANGIBLE PERSONAL PROPERTY (TAXABLE)

- Applying putty, window film or coating to existing windows
- Caulking (interior/exterior)
- Eliminating sticking
- Installation of:

Shades
Venetian Blinds

Valances
Window Quilts

Drapery rods/hardware

- Lubricating sashes
- Painting, varnishing or staining of existing windows
- Weather stripping
- Repair of:

Termite Damage
Wet and Dry Rot

Windows
Window Frames

Window Sills

- Replacement of:

Aprons
Balances
Frames
Inside Stops
Parting Strips
Pocket Covers
Stools

Sash Balances
Sash Cords
Sash Stiles
Sash Weights
Side Casings
Side Jambs
Window Sills

Hardware (latches, handles, locks, etc.)
Storm Window Panes or Screens
Window Frames
Window Panes (glass or plastic)
Sash Weight Pulleys
Yoke or Head Jambs

CAPITAL IMPROVEMENT (EXEMPT)

- Application of window film or coating in connection with original installation
- Installation or replacement of permanent combination storm windows
- Installation or replacement of complete windows (frames and sashes)
- Painting, varnishing or staining of new windows

