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Photographers

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The purpose of this Tax Fact is to explain how South Dakota state and local taxes apply to Photographers. It is not intended to answer all questions that may arise. The information contained in this fact sheet is current as of the date of publication.

Photography Sales and Services

Photographers, and others providing photography or videography services, have sales of products and services that are subject to South Dakota state and applicable municipal sales tax (see page 2 for rate information).

- The sale of photos is subject to sales tax where delivered.
- Sitting fees charged separately from the sale of photos are subject to sales tax where the photos are taken.
- Sitting fees for photos taken at multiple locations, including the photographers studio, are taxed at the studio's location.
- Packages that include sitting fees and photos are subject to sales tax where the photos are delivered.
- Products delivered electronically are subject to sales tax where delivered.
 - * In cases where the delivery address is not known, sales tax applies at the customer's address.
 - * If an address is not on file for the customer, sales tax applies at the photographer's address.

Examples of Sales Taxable Items

- Cameras (*film or digital*)
- Equipment or prop rental
- Packages to students or members of organizations such as churches
- Photo books, frames, cards, stationery, and calendars
- Photo discs or digital photo services
- Photos or videos (*film or digital*)
- Software, film, and photo paper

Examples of Sales Taxable Services

- Enlarging, retouching, tinting, or coloring photos
- Mileage and expense charges (*including charges itemized or invoiced separately*)
- Online photo storing and sharing services
- Processing, developing, and printing of film or digital photos (*Includes online*)
- Reprinting and photo rights
- Reproducing documents, drawings, blueprints, or photographs
- Sitting fees
- Videography charges

Examples

1. A Sioux Falls photographer is hired to photograph a wedding in Iowa. The photos are picked up at the studio in Sioux Falls.
 - South Dakota state plus Sioux Falls municipal sales tax applies.
2. A South Dakota attorney hires a Sioux Falls videographer to travel to Minnesota to film a deposition. The DVD is given to the attorney in Minnesota.
 - No South Dakota sales tax because the attorney received the DVD in Minnesota. *The attorney could owe use tax if the DVD is used in South Dakota. Credit will be given for Minnesota sales or use tax paid.*
3. A Watertown videographer is hired to film a wedding in Arlington and the dance in Volga. The DVD is mailed to the customer's home in Brookings.
 - South Dakota state plus Brookings municipal sales tax applies.
4. A Pierre photographer charges a sitting fee when photos are taken in Pierre. Photos are later ordered for an additional charge and mailed to the customer at a farm near Aberdeen.
 - South Dakota state plus Pierre municipal sales tax applies to the sitting fee.
 - South Dakota state sales tax applies to the charge for the photos. No municipal tax because the customer received the photos in rural South Dakota.

South Dakota Tax Rates

South Dakota has a 4.5% state sales and use tax rate that applies to all sales or purchases of taxable products or services.

Cities in South Dakota may have a 1 to 2% municipal sales and use tax rate that applies to all sales or purchases of taxable products or services that are received or used within that municipality.

Use tax is due on tangible personal property, services, and products transferred electronically that are used, stored, or consumed in South Dakota. It applies if sales tax has not been paid. It also applies if a sales tax rate lower than the South Dakota state and applicable municipal sales or use tax was paid.

If you sell products or services in South Dakota, you must obtain a tax license from the South Dakota Department of Revenue.

Apply for a sales tax license online at www.sd.gov/taxapp.

Sales and Purchases for Resale

Photographers and others providing photographic services may purchase items or services for resale exempt from sales tax. Items purchased to be resold to customers and purchases of items that become a part of an item that will be sold can be bought exempt.

The following conditions must be met to purchase a service for resale:

- 1) The service is purchased for or on behalf of a current customer;
- 2) The purchaser of the service does not use the service in any manner; *and*
- 3) The service is delivered or resold to the customer without any change.

The photographer must provide a completed [exemption certificate](#) to the vendor.

A photographer may sell his or her services or products for resale if the buyer provides an exemption certificate.

It is ***your responsibility*** to identify taxable purchases when you provide an exemption certificate to a seller. You must instruct vendors to charge you tax on the taxable items. If applicable sales tax is not paid, report the use tax on line 2 of your sales tax return. Municipal use tax is reported in the city section of the return.

Failure to identify and report use tax due on taxable purchases where you provided an exemption certificate to licensed vendors may result in a penalty of 50% of the use tax due in accordance with SDCL 10-45-61. This penalty is in addition to any use tax, penalty, and interest owed due to late reporting and paying.

Examples of Items that can be Purchased for Resale **(Must be sold, or become part of a product sold, to a customer)**

- Cameras and accessories
- Chemicals used by the photographer to process film (*Including developers, washes, fixers, and stabilizers*)
- Film, memory cards, CDs, DVDs, and Blu-rays
- Film processing, developing, enlarging, and printing performed by an outside service provider
- Mounts, frames, and matte paper
- Packaging materials used to hold merchandise sold by a photographer
- Photo books, cards, stationery, and calendars
- Print paper and ink
- Slides permanently transferred to a customer as part of a retail sale

Use Tax

Products and services that are used, stored, or consumed by the photographer to operate the business and provide his or her service should have applicable sales tax paid to the vendor at the time of purchase. Retailers and other vendors selling such items to photographers must remit sales tax on the gross receipts from the sale of these items.

If applicable sales tax is not paid to the vendor on the purchase of products and services used, the photographer must pay use tax on the cost of the items (*see page 2 for rate information*).

Sales to customers are reported on Line 1 of the Sales and Use Tax Return. Use taxable items are reported on Line 2 of your return. Municipal sales and use tax is reported in the city section of the return.

Examples

1. A photographer orders extra copies of wedding photos to use for display and promotional purposes.
 - The photographer owes sales or use tax on the extra copies.
2. A photographer sells her artistic photos in her shop. She sends her film to be processed and receives proofs in return. She uses these proofs to decide which prints to order and sell in her shop.
 - The prints ordered to sell in her shop are exempt from sales tax because they are for resale.
 - The photographer owes sales or use tax on the proofs and processing services.

Examples of Items Subject to Use Tax (If applicable sales tax was not paid)

- Cameras, lenses, and accessories used by photographers
- Darkroom equipment (*including enlargers, film and paper processors, and easels*)
- Developing trays and dishes
- Fees from internet sites for storing or selling photos
- Film (*other than film sold over the counter to customers*)
- Film processing, proofs, and prints for the photographers own or promotional use
- Legal, accounting, and consulting services
- Lighting equipment (*Including flashtubes, modeling bulbs, and batteries*)
- Office supplies
- Other consumed supplies such as paper towels, cleaners, compressed air, printed forms, pamphlets, and masking tape.
- Props and other background equipment

Contact Us

If you have any questions, please contact the **South Dakota Department of Revenue**.

Call toll-free: 1-800-829-9188

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