

Chapter 05 Public Storage Warehouse

100 Storage Warehouses

101 A storage warehouse is a place where tangible personal property is kept and stored for a fee in the custody of a person operating a commercial business. The gross income received from such an activity is taxable at the regular retail rate of sales tax. Income received from storage and handling of perishable goods is exempt from tax. "Perishable goods" means frozen goods or goods that require refrigeration while stored in a public storage warehouse (example: meat, fish, poultry, vegetables, fruits, etc.). Perishable goods shall also include grain products that require aeration while stored in a public storage warehouse (example: soybeans, wheat, rice, oats, milo, etc.).

102 Income received from the temporary storage of tangible personal property in this state pending shipping or mailing of the property outside this state is exempt from tax. The exemption is available to all property whether or not the final determination of the property's destination can be made prior to storage. It is the responsibility of the owner of the storage facility to obtain a signed Affidavit of Temporary Storage from each customer annually. The Affidavit is completed by the customer to indicate what percentage of goods will be shipped out of state. The percentage should be based on prior year's shipments, however, a reasonable estimate may be used if there is an absence of prior year information. Any Affidavit accepted in good faith will be accepted as satisfactory documentation of exempt sales. Sales tax is due on any goods to be shipped within this state.

103 (Reserved)

200 Rental of Storage Facilities

201 Income received from the rental of storage facilities for the storage of tangible personal property is exempt when the lessee maintains exclusive access to and control of the storage facility. Example: mini storage facilities where the lessee uses their personal lock. Income received from common storage facilities are subject to sales tax when multiple lessees have access to the same area of the storage facility.

202 (Reserved)

300 Moving and Storage Companies

301 Purchases of equipment and supplies by a warehouse and drayage or moving business are taxable at the regular retail rate of sales or use tax. Persons engaged in the moving and storage business are considered to be consumers of packaging materials on which the customer's property is contained for storage or transportation.

302 (Reserved)

400 Fuel Terminals

- 401 Persons in the business of storing or warehousing fuel or other oil products for others are construed to be engaged in a taxable public warehouse activity. The method used in measuring charges and length of time that product remains in the terminal does not relieve such persons of the sales tax liability.
- 402 Income received from the temporary storage of fuel or other fuel products in this state pending shipping or mailing of the property outside this state is exempt from tax. The exemption is available whether or not the final determination of the property's destination can be made prior to storage. It is the responsibility of the owner of the fuel terminal to obtain a signed Affidavit of Temporary Storage from each customer annually. The Affidavit is completed by the customer to indicate what percentage of goods will be shipped out of state. The percentage should be based on prior year's shipments, however, a reasonable estimate may be used if there is an absence of prior year information. Any Affidavit accepted in good faith will be accepted as satisfactory documentation of exempt sales. Sales tax is due on any goods to be shipped within this state. The storage and handling of natural gas in underground salt domes, caverns, or other underground structures are exempt.
- 403 (Reserved)

35.IV.5.05 revised effective September 1, 2018