



Containers

Containers, labels and shipping cases are subject to taxation unless they meet the requirements for tax exemption. Sales of tangible personal property for use as containers, labels, and shipping cases are exempt from sales and use tax when all of the following conditions are met:

- A. The item is sold to and used by a manufacturer, producer, compounder, wholesaler, jobber, retailer, packager, distributor, or other licenses vendors, for use as containers, labels and furnished shipping cases for articles sold by them;
- B. The item is transferred by such a firm along with and as a part of the finished product to the purchaser; and,
- C. The item is not returnable to that firm for reuse.

Generally, containers and labels include boxes, cartons, crates, jars, bags, sacks, bottles, packing cases, and gummed tapes and tags. The term also may include associated items such as twine, plastic stuffing, wrapping materials and wire necessary to make the container functional.

Deposits on returnable containers are not subject to sales tax.

Pallets for warehouse use which are not sold with a product as a container are taxable. Returnable pallets are subject to sales tax. A pallet is not taxable only when merchandise being sold is firmly affixed to it and the pallet is not returnable to the seller.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.