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### State & Local Regulations

## **1320-05-01-.07. Contractors, lump sum and cost plus.**

(1) Contractors engaged in constructing or improving real property, whether on a lump sum or a cost-plus basis, are purchasers and consumers of the materials used by them, and are required to pay the Sales or Use Tax on such materials or equipment purchased or imported into this State for use in connection with their contracts.

(2) Sales of materials and supplies to owners of real property to be used by them, their agents, or independent contractors in erecting, altering, improving, or repairing buildings, or other improvements, are sales subject to the Sales or Use Tax.

(1320-05-01-.07 revised eff. 6-17-84; 9-11-00.)

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