

370.0000 MORTICIANS—Regulation 1505

370.0050 Cremation of Casket Is a Use. Where a body is cremated in this state together with the casket and other tangible personal property, the casket and other tangible personal property are consumed or used in this state and do not become the subjects of an exempt interstate shipment even though the entire remains are shipped outside this state by the mortician pursuant to the contract of sale. 1/27/72.

370.0080 Grave Boxes. Where a cemetery fabricates grave boxes and places them in a grave, the tax applies to the charge for the boxes including the fabrication labor in constructing them. The tax does not apply to charges for digging and closing the grave, and placing the casket in the box. 4/3/56.

370.0115 Pre-Need Agreements—Pre-Need Contract Fee. A taxpayer's agreement to purchase pre-need burial rights, endowment care, merchandise and services lists the following fees: (1) cash price for merchandise (vault, liner, urn); (2) cash price for opening/closing; (3) cash price for pre-need contract; and (4) sales tax reimbursement. The pre-need contract fee is an amount to offset the increase in cost at the time of burial for both the merchandise and the services.

The gross receipts from the sale of the tangible personal property include the charges for the merchandise and the portion of the pre-need contract fee which represents the amount to offset the future increase in cost for the merchandise. This amount should be reported on the tax return for the period in which the burial services are rendered. (See Regulation 1505(c).) 12/30/96.

370.0160 Resale Certificates. An embalmer who performs embalming services and then delivers the remains to the mortuary may accept a resale certificate from the mortuary which provides the casket and other services. The embalmer will be regarded as a subcontractor who delivers tangible personal property along with the remains. 8/19/65.

370.0180 Soap. Sales of soap to morticians are retail sales subject to tax. 7/3/57.

370.0200 Use Tax. When burial occurs in this state, through ashes in urn, entombment in mausoleum or ground burial, casket or urn purchased outside state is subject to use tax. Fact that death, services and preparations of remains of out-of-state resident occurred outside this state is irrelevant. 7/20/51.