

The Louisville Municipal Code (LMC) imposes its sales and use tax on the purchase price paid for tangible personal property and certain taxable services per Section 3.20 of the LMC.

In general, upholsterers are engaged in the sale of tangible personal property to their customers. If the upholsterer separately states the labor charges on the customer's invoice for any repair, recovering or upholstering or similar work from the taxable tangible personal property, then the labor is exempt from City sales tax. If the upholsterer charges one lump sum for the repair, then the entire price is subject to City sales tax.

If an upholsterer manufactures items for sale to an end user, sales tax is due on the full price of the item including any labor, markup or supplies used to create the item. If an upholsterer purchases tangible personal property which is refurbished or recovered for sale to an end user, sales tax is due on the full price of the item including labor, markup or supplies used to prepare the item for sale.

Any fabrics, trims, studs, nails or other items offered for sale by the upholsterer are subject to Louisville sales tax on the purchase price.

The upholsterer must pay Louisville sales or use tax on any items purchased for use by the upholsterer that do not become part of the finished product, such as tools, equipment, heat guns, office equipment and supplies, etc.

See "Services" publication in this Tax Guide for additional information.

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The information contained in the Tax Guide publications is intended to offer general guidance in layman's terms, for this topic, industry or business segment, and is not intended for legal purposes to be substituted for the full text of the Louisville Municipal Code rules and regulations. This guide does not constitute a city tax policy.