

The Commonwealth of Massachusetts

Department of Revenue

Lowell Saltonstall Building,

100 Cambridge Street, Boston 02204



IRA A. JACKSON
COMMISSIONER

March 10, 1983

("Company") publishes monthly newsletters that it distributes free of charge to local councils on aging. The Company pays a printer to print the newsletters on paper supplied by the Company. You inquire whether the newsletters are "newspapers" within the meaning of General Laws Chapter 64H, Section 6(m), and whether the sales tax applies to the Company's purchase of the paper on which the newsletters are printed.

The newsletters generally comprise either four or eight 8½" x 11" pages. They contain articles concerning recreational programs and money-saving opportunities for the elderly, as well as articles about health, nutrition, and other matters of interest to older persons. They also contain some advertising.

For sales tax purposes, "sale" includes the printing of tangible personal property for a consideration for consumers who furnish the materials used in the printing (G.L. c. 64H, s. 1(12)(b)).

General Laws Chapter 64H, Section 6(r) provides an exemption for sales of materials that become an ingredient or component part of tangible personal property to be sold.

Chapter 64H, Section 6(m) provides that the sales tax does not apply to sales of newspapers. The Supreme Judicial Court has held that this exemption applies to the printing of a paper distributed free of charge at stated, periodic intervals and containing matters of interest to a significant segment of the public. Greenfield Town Crier, Inc. v. Commissioner of Revenue, Mass. Adv. Sh. (1982) 692.

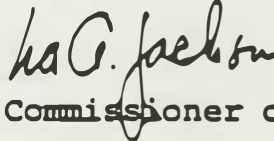
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Based on the foregoing, it is ruled that:

1. The newsletters are "newspapers" within the meaning of General Laws Chapter 64H, Section 6(m). Therefore, the sales tax does not apply to the printing of the newsletters for the Company.
2. The Company's purchase of the paper on which the newsletters are printed is exempt from the sales tax.

You also inquire whether the sales tax applies to the Company's purchases of materials other than paper that it uses in publishing the newsletters. A newspaper publisher's purchases of supplies and equipment generally are subject to the sales tax. The exceptions to this rule are explained in Sales and Use Tax Regulation 830 CMR 64H.07 ("Newspapers").

Very truly yours,



Commissioner of Revenue

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