

Restaurant Equipment Installation and Repair

Labor charges for the installation of tangible personal property that remains tangible personal property (TPP) upon installation and for the repair of tangible personal property are subject to sales tax. Labor charges for the installation of tangible personal property that becomes a part of realty or for the repair of realty are not taxable. Note, however, that the party doing the installing or repairing must pay sales tax on its purchase of the property being installed or the repair parts.

If the item is intended to be removed at the pleasure of the owner, it is tangible personal property. For example, if the item is movable and is ordinarily removed by the operator of the business if such business relocates, the item is tangible personal property (generally these items are referred to as "trade fixtures"). If the item is part of the building's structure, or if upon removal, the item would be destroyed or the real property damaged, the item is realty.

This list provides guidance with regard to when a repairman should collect sales tax on sales of repair parts and repair and installation labor related to restaurant equipment. This list is not an all-inclusive list.

Items Remain TPP Upon Installation	Items Become Real Property Upon Installation
<p>Cooking Equipment Charbroiler Coffee maker Crepe maker Deep fryer Griddle Grill Hot dog rollers Microwave Oven (freestanding, countertop electric, convection, non-built-in pizza oven, conveyor style oven) Range (freestanding) Steamer Toaster Vent hood (removable; see Letter Ruling #99-33) Waffle maker Warming and holding equipment Rice cooker</p>	<p>Built-in pizza ovens (e.g., wood-fired brick, gas, electric) Built-in range (e.g., slide-in) Built-in exhaust fan (e.g., roof-mounted) (does not include filters)</p>
<p>Refrigeration Equipment Bar refrigerators and coolers Beverage dispenser Ice cream machine Reach-in freezer Reach-in refrigerator Refrigerated display cases (freestanding) Salad and sandwich refrigerated prep table Soda fountain machine Under-counter and countertop refrigerators Walk-in coolers and freezers (self-contained)</p>	<p>Built-in refrigerated display cases (e.g., walk-in glass door beer cooler) Built-in walk-in coolers and freezers (e.g., beer cave, room in building)</p>
<p>Other Restaurant Equipment Blender Booth seating Chairs and bar stools Cutlery and knives Dining tables Dish washer Food processor Juicer Meat grinder Mixer Proofer cabinet Slicer</p>	<p>Custom built-in booth seating</p>