**64:06:02:07.  Barber and beauty shops.** Taxable gross receipts of barber and beauty shops include items of merchandise sold to customers and the service performed for a customer.

 Each shop must have one sales tax license, and each beautician or barber in a shop need not apply for a sales tax license, unless the beautician or barber is an independent contractor under the criteria set forth in § 64:06:02:07.01. At the end of each reporting period a sales tax return will be mailed by the department and only one sales tax return must be filed for each shop.

 Barber and beauty shops are the consumers of supplies and equipment which are consumed or used by them in rendering their services. If the sales tax on such items is not paid to a South Dakota licensed supplier when purchased, then the cost of such items must be reported as a use tax item on the sales tax return. Such items include clippers, shampoos, rinses, and other items consumed on the premises by the barber or beauty shop. Items sold to customers for their use off the premises may be purchased from suppliers exempt from sales tax because they are purchases for resale.

 **Source:** SL 1975, ch 16, § 1; 11 SDR 1, effective July 19, 1984; 13 SDR 129, 13 SDR 134, effective July 1, 1987; 16 SDR 76, effective November 1, 1989; 21 SDR 219, effective July 1, 1995.

 **General Authority:** SDCL 10-45-47.1, 10-46-35.1.

 **Law Implemented:** SDCL 10-45-4.1, 10-45-5, 10-45-25, 10-46-2.