



**Revenue Ruling  
No. 01- 008  
September 5, 2001**

**Taxability of Folding Invoices and Stuffing Envelopes**

This Revenue Ruling addresses whether folding pre-printed invoices and stuffing pre-printed envelopes, both of which are provided by the customer, are taxable services or taxable sales.

La. R. S. 47:302(C) provides that a tax is levied upon the sale of specifically enumerated services in this state. La. R.S. 47:301(14) defines “sales of services.” This definition does not include the service of folding invoices and stuffing envelopes. Hence, the service of folding invoices and stuffing envelopes is not itself a taxable service when the customer furnishes both the pre-printed invoices and the pre-printed envelopes and no other service or sale takes place in conjunction with the services of folding and stuffing.

It must also be determined whether or not the transaction is a taxable sale. La. R. S. 47:302(A) levies a tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state, of each item or article of tangible personal property. “Sale at retail” is defined in La. R.S. 47:301(10)(a)(i) as

“a sale to a consumer or to any other person for any purpose other than for resale as tangible personal property, or for the lease of motor vehicles in an arm’s length transaction, and shall mean and include all such transactions as the secretary, upon investigation, finds to be in lieu of sales; provided that sales for resale or for lease of motor vehicles in an arm’s length transaction must be made in strict compliance with the rules and regulations.”

“Sale” is then defined in La. R.S. 47:301(12) as

“any transfer of title or possession, or both, exchange, barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property, for a consideration, and includes the fabrication of tangible personal property for consumers who furnish, either directly or indirectly, the materials used in fabrication work, and the furnishing, preparing or serving, for a consideration, of any tangible personal property, consumed on the premises of the person furnishing, preparing or serving such tangible personal property.”

The folding of invoices and stuffing of envelopes when the customer provides both the pre-printed invoices and pre-printed envelopes does not fit within the definition of “sale.” There is no transfer

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of title or possession, exchange or barter in the transaction. The customer maintains title to all items at all times, and although there is a transfer from the customer to the service provider of possession of the items, there is no consideration given by the service provider in exchange for his temporary possession of the invoices and envelopes. Furthermore, there is no fabrication of tangible personal property when the service provider folds the pre-printed invoices provided by the customer and stuffs them into pre-printed envelopes provided by the customer. To “fabricate” is to make, create, or construct by combining or assembling diverse, typically standardized parts. (The American Heritage College Dictionary 488 (3d ed. 1997)). Fabrication is generally thought of as creating something new out of separate parts that may or may not lose their own identity in the process. Stuffing invoices into envelopes does not make, create, or construct any new item or product. Therefore, folding pre-printed invoices provided by the customer and stuffing them into pre-printed envelopes also provided by the customer does not meet the definition of a “sale.” It thereby follows that the provision of such services is not a taxable sale.

However, if this transaction takes place in conjunction with the sale of tangible personal property or in conjunction with a taxable service, the entire transaction, including the folding and stuffing of pre-printed material provided by the customer, is likely to be a taxable one.

**Holding:**

The service of folding pre-printed invoices provided by the customer and stuffing them into pre-printed envelopes also provided by the customer is not a taxable service or a taxable retail sale as long as no other taxable service is provided and no retail sale is made in conjunction with the service of folding and stuffing.

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