

8906L0944F04 [Tax Type: Sales] [Document Type: Letter/Memo]

The Comptroller of Public Accounts maintains the STAR system as a public service. STAR provides access to a variety of document types that may be useful in researching Texas tax law and tax policy. Documents which provide the Comptroller's interpretation of the tax laws are accurate for the time periods and facts presented in the documents. Letters on STAR can be the basis of a detrimental reliance claim only for the taxpayer to whom the letter was directly issued. Documents on STAR that no longer represent current policy may be completely or partially superseded, but there is no assurance that a document on STAR represents current policy even if it has not been marked as superseded.

Tax laws are complex and subject to change. Interpretations of the laws may be affected by administrative hearings, court opinions, attorney general opinions and similar authorities. STAR is a research tool, not a substitute for legal advice. If there is a conflict between the law and the information found on STAR, any decisions will be based on the law.

Texas Comptroller of Public Accounts STAR System

**8906L0944F04**

COMPTROLLER OF PUBLIC ACCOUNTS  
STATE OF TEXAS  
AUSTIN, TEXAS 78774

June 6, 1989

\*\*\*\*\*  
\*\*\*\*\*  
\*\*\*\*\*

Dear \*\*\*\*\*:

Thank you for your letter of May 30, 1989 concerning the taxability of an interior decorator's consulting fees.

Generally, charges by an interior decorator for professional services not directly related to the production or sale of taxable items are not taxable. For example, in addition to supervision of painting and carpet installation done by third-parties, a decorator may purchase furniture and pay sales tax to the furniture dealer. Then, if the decorator bills the client separated amounts for supervision, the exact price including tax paid to the furniture dealer for the furniture, an a fee for locating and purchasing the furniture, the decorator will not be required to collect tax on his fees. A sale has not occurred. The decorator is merely reimbursing himself for the furniture.

However, if the decorator purchases furniture at wholesale and sells to his client at retail then the decorator is selling furniture. He must have a sales tax permit and collect tax on the selling price of the furniture to his client.

The taxability of the consultation fees in each of the four situations that you described is as follows:

- A. Not taxable
- B. Cost of furniture plus mark-up - taxable  
Consultation fee - not taxable
- C. Not Taxable

## D. Cost of item plus mark-up - taxable

This opinion is based upon the facts your presented. If there are additional or different facts, this opinion may change.

Please feel free to contact me if you have any additional questions. You may write me, call toll-free 1-800-531-5441 from anywhere in the United States or phone 512/463-4685.

Sincerely,  
Julie Pesl  
Tax Correspondence

---

ACCESSION NUMBER: 8906L0944F04  
SUPERSEDED: N  
DOCUMENT TYPE: L  
DATE: 1989-06-01  
TAX TYPE: SALES