

**Texas Comptroller of Public Accounts    STAR System**

---

8205L0440E13

May 18, 1982

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

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

Thank you for your letter of May 7, 1982, regarding a flag decorating service.

As I understand your situation, you are in the business of decorating store fronts, city buildings and rodeo arenas with flags. If the flags are torn by weather or vandalism, you replace them. When your client no longer has a use for the flags, you remove them.

Under these circumstances, you are providing a decorating service and no tax is due on these transactions.

Since you are providing a service, you are considered the ultimate consumer of all materials you buy to provide this service. You should pay the tax on the cost of the flags to your supplier at the time of purchase. If you originally purchased these flags tax-free, you should accrue the Use Tax directly to the state by placing the cost of the flags in the Taxable Purchases Block of your sales tax return.

If you should have different or additional facts, this opinion, could change. If you should have any further questions, please feel free to write or call at 1-800-252-5555.

Sincerely,

George Aguirre  
Sales Tax Division

ACCESSION NUMBER: 8205L0440E13  
SUPERSEDED: Y  
DOCUMENT TYPE: L  
DATE: 05/18/1982  
TAX TYPE: SALES