



Some Soapmaking Studio Classes are Taxable

According to the California Board of Equalization, some services are taxable, including some of our classes. The example presented to us by the BOE representative: If a man takes a pair of pants to an alterationist and asks for the pants to be hemmed an inch to match his exact height, then the service is not taxable because the man brought in a pair of pants and leaves with a (slightly shorter) pair of pants. However, if the man asks for the pants to be cut down to shorts, then the service is taxable because a new item has been created; the man now has new shorts.

As mandated by the California BOE, if a new item is created during a class, then the class incurs California state sales tax at the current rate. If nothing is made or created during the course of the class, then the class is nontaxable. All materials for the class are taxable for students who attend the class in person.

Likewise, whether or not an online student is located in California, online classes are taxable if a new item is created during the class because the service (the live class) takes place within the state of California. For online students, the materials fee and the online fee (including shipping) to mail materials to the student are both nontaxable for students outside of California. For an online student within California, only the class fee (if a new item is created) and materials fee are taxable, the online fee is nontaxable.

Current California sales tax rate for Soapmaking Studio, 7301 Mount Vernon St, Lemon Grove, CA 91945: <https://maps.gis.ca.gov/boe/TaxRates/>

Class	Item Created During Class	Class Fee Taxable?	Materials	Materials Fee Taxable for Students in CA?	Materials Fee Taxable for Students outside CA?
Soapmaking 101	Cold process soap.	Yes	Book, soap, nitrile gloves, certificate, pen, etc.	Yes	No
Online Soapmaking 101	Cold process soap.	Yes	Soap, certificate, pen.	Yes	No
Soapmaking 105	Hot process soap.	Yes	Book, soap, certificate, pen, etc.	Yes	No
Soapmaking 210	N/A—No item created during class.	No	Book, shea butter substitute recipe sheet, soaps, bag, certificate, pen, etc.	Yes	No
Soapmaking 214	Hot process transparent soap.	Yes	Book, soap, certificate, pen, etc.	Yes	No
Soapmaking 215	Hot process liquid soap.	Yes	Book, soap, bottle, certificate, pen, etc.	Yes	No
Soapmaking 220	Cold process artistic soap.	Yes	Book, soap, recipe sheet, certificate, pen, etc.	Yes	No
Soap Garden 224	N/A—No item created during class.	No	Book, dried plants, certificate, pen, etc.	Yes	NA—Class not online.
Soapmaking 225	Cold process soap.	Yes	Book, soap, recipe sheet, certificate, pen, etc.	Yes	No



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Soap Business 320	N/A—No item created during class.	No	Book, business checklist sheet, certificate, pen, etc.	Yes	No
Soap Business 330	Soap labels.	Yes	Book, soap, sample soap labels, certificate, pen, etc.	Yes	No
Soap Business 335	Shrink wrapped soap.	Yes	Instruction sheets, shrink wrap, certificate, pen, etc.	Yes	NA—Class not online.
Soap Business 340	Shipping label.	Yes	Instruction sheets, boxes, padded envelope, labels, certificate, pen, etc.	Yes	NA—Class not online.
Soap Business 350	N/A—No item created during class.	No	Book, certificate, pen, etc.	Yes	NA—Class not online.
Soapmaking Workshop	Cold process soap.	Yes	2 pounds of soap, recipe sheet, soap additives (fragrance, colorant, glitter, mica), certificate, pen, etc.	Yes	No
Aromatherapy Natural Perfume Class	Perfumes.	Yes	Book, essential oils, bottles, labels, certificate, pen, etc.	Yes	NA—Class not online.
Bath Bomb Class	Bath salts, fizzy bath powder, bath bomb.	Yes	Book, bath salts, fizzy bath powder, bath bomb, containers, labels, certificate, pen, etc.	Yes	No
Lip Balm Making Class	Lip balms, lotion sticks.	Yes	Book, lip balms, labels, certificate, pen, etc.	Yes	No
Lotion Making Class	Lotions.	Yes	Book, lotion, 2 bottles with labels, recipe sheet, certificate, pen, etc.	Yes	No
Scrub Making Class	Salt scrub, sugar scrub, glycerin scrub.	Yes	Book, salt scrub, sugar scrub, glycerin scrub, containers, labels, certificate, pen, etc.	Yes	No
Serum Making Class	Serum, hand sanitizer, mascara, gel eye shadow.	Yes	Book, serum, hand sanitizer, mascara, gel eye shadow, containers, labels, certificate, pen, etc.	Yes	No