



Barber Shops, Hair Salons, Spas & New Jersey Sales Tax

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Introduction

Barber shops, hair salons, spas, and similar establishments are primarily engaged in the business of providing personal services to customers. This publication explains that although most charges for personal services are exempt from Sales and Use Tax, certain services performed in salons are taxable. In addition, many salons also sell hair care or other beauty products (e.g., wigs, hair styling products, skin care products, etc.) that are subject to Sales Tax. This publication also explains who is responsible for paying Sales Tax, and which transactions are exempt from tax.

Note: This publication does not apply to services provided for pets, horses, or other animals. For more information, see [ANJ-12](#), *Veterinarians and New Jersey Sales Tax*.

Exempt Services

Most personal services performed in a salon are exempt from Sales Tax. Therefore, the salon's customers do not pay Sales Tax for these services. The following are examples of services exempt from Sales Tax at a salon or day spa:

Hair Services

- Braiding;
- Cutting;
- Deep conditioning;
- Hair extensions;
- Hair straightening;
- Hair transplants;
- Highlighting and coloring;
- Perming;
- Scalp treatments;
- Shampooing;
- Styling; and
- Updos.

Nail Services

- Airbrushing;
- Fills;
- Full Sets;
- Manicures;
- Nail sculpting;
- Paraffin Treatments;
- Pedicures;
- Polish changes; and
- Wraps.

Beauty Services

- Makeup application;
- Makeup lessons; and
- Eyelash extension services.

Skin Care/Wellness Treatments

- Facials;
- Infusion Therapy (IV bags);
- Microdermabrasion;
- Peels;
- Scrubs; and
- Wraps.

Hair Removal

- Waxing; and
- Threading.

Taxable Services

Certain personal services performed in a salon are taxable. Therefore, the salon's customers must pay Sales Tax for these services. The salon or spa **must separately state the tax on all invoices**. The following are examples of taxable services at a salon or day spa:

Massage Services

- Deep tissue/body massages; and
- Swedish massages.

Tanning Services

- Sunless tan applications; and
- Tanning beds/booth.

Tattooing

- Permanent cosmetic makeup applications (except by prescription in conjunction with reconstructive breast surgery).

Supplies and Equipment

Owners of salons pay Sales Tax on the supplies and equipment that will be used to provide their services. The salon is the end user of these items, and, therefore, must pay Sales Tax on these purchases. For example, a salon owner must pay Sales Tax on the purchase of capes used when cutting hair. If the salon owner does not pay Sales Tax at the time of purchase, the salon owner owes Use Tax. For more information on Use Tax, see [ANJ-7](#), *Use Tax in New Jersey*.

The following are examples of taxable supplies and equipment:

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| • Acrylic tips; | • Curling irons; | • Mirrors; |
| • Barber and stylist chairs; | • Curlers; | • Nail polish and files; |
| • Blow dryers; | • Customer gowns; | • Scissors; |
| • Brushes, combs; | • Hair dye; | • Shampoo, conditioner; |
| • Cabinets for supplies; | • Hair removal strips; | • Tanning beds; and |
| • Cotton for perming; | • Massage tables and chairs; | • Wax. |

Retail Sales

When salons sell tangible personal property (such as shampoo, conditioner, wigs*, makeup, nail polish, etc.) in addition to providing personal services, Sales Tax must be collected on the sale of those taxable items. Products that will be sold to customers may be purchased by the salon without paying Sales Tax with a fully completed **New Jersey Resale Certificate (Form ST-3)** or the **Streamlined Sales and Use Tax Agreement Certificate of Exemption (Form ST-SST)**. The resale certificate may be used to purchase items for resale only. If the salon cannot distinguish between what it will use in providing its personal services and what it will sell, the salon must pay Sales Tax on the transaction.

* While in general, the purchase of wigs is treated as a taxable purchase of an accessory, the purchase of wigs by patients who have lost their hair from chemotherapy is deemed to be exempt under [N.J.S.A.](#)

54:32B-8.1. The salon would collect Sales Tax on the wig at the time of purchase. Then, the purchaser would request a refund from the Division by submitting a Claim for Refund, [Form A-3730](#). You would need to include documentation that the wig is for use by a chemotherapy patient.

Example: A salon sells a customer a hot oil treatment to use at home. The customer pays Sales Tax, which is then remitted to the State. When the salon owner purchases the hot oil treatment for resale, the salon owner may issue a fully completed resale certificate to the supplier and pay no Sales Tax.

Example: The salon purchases nail polish for both retail sales to customers and manicurists' use when polishing nails. If the salon owner is unable to determine how much of the nail polish purchased will be sold to customers and how much will be used by the salon's staff, Sales Tax must be paid on all of the nail polish purchased.

If a salon owner paid Sales Tax on items that were later resold, and tax was collected from the client and remitted to the State, the salon owner may be entitled to a refund. To apply for a refund, a Claim for Refund ([Form A-3730](#)) must be completed.

Sales for Resale

When a salon sells taxable products to a customer who intends to resell the items, the salon is not required to collect Sales Tax provided the purchaser issues a fully completed resale certificate.

Example: A spa registered with New Jersey runs out of massage oil that it sells to clients at retail, and decides to buy the massage oil from Another Salon, which is also registered with New Jersey. The spa's owner issues the other salon a fully completed resale certificate and pays no Sales Tax to the other salon. The spa then collects Sales Tax from its clients when it sells the massage oil.

Out-of-state businesses may also make tax-exempt purchases in New Jersey of goods and services that will be resold in another state. When goods are picked up in New Jersey, qualified businesses may issue the **Resale Certificate for Non-New Jersey Sellers** ([Form ST-3NR](#)) or the **Streamlined Sales and Use Tax Agreement Certificate of Exemption** ([Form ST-SST](#)).

Example: A Pennsylvania salon exhausts its inventory of tanning lotion it sells to clients and decides to purchase a supply from a New Jersey salon. The Pennsylvania salon owner, who is not registered with New Jersey, issues Form ST-3NR when they come to New Jersey to pick up the tanning lotion and does not pay New Jersey Sales Tax on that lotion. The New Jersey salon accepts the certificate and does not charge Sales Tax on the transaction.

Registration

Businesses that provide services and/or sell tangible personal property in New Jersey are required to register with the State and must collect and remit Sales and Use Tax to the State. Businesses can register [online](#) through the Division of Revenue and Enterprise Services' NJ Business Gateway Services website.

For more information about starting a business in New Jersey, see our [Starting a Business Tax Guide](#).

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