

New Federal Excise Tax on Tanning Services Effective July 1, 2010

The Federal Patient Protection and Affordable Care Act (H.R. 3590), contains numerous tax provisions including a New Federal Excise Tax on Indoor Tanning Services (New IRC § 5000B).

The act imposes a new federal excise tax of 10% on amounts paid for indoor tanning services. Similar to a sales tax, the person who performs the tanning service collects the tax from the person tanning when payment for the tanning services is made. If the person receiving the indoor tanning service does not pay the tax when the service is received, the person performing the procedure pays the tax. The person collecting the tax remits payment of the tax quarterly with Federal IRS Form 720. This provision applies to services performed on or after July 1, 2010.

For further information, please see the Internal Revenue Service website at www.irs.gov