

Things you need to know before purchasing decorative doors and door glass. A

## FREE INFORMATION GUIDE

From

### *Dream Doors*

If you are like most folks, home improvement projects offer the excitement of experiencing enjoyable new home amenities. But this same excitement often gives way to worry and concern about how to get the most value from the home improvement experience and products.

The replacement of doors offers the same challenges. People usually do not have much need to replace doors often. Therefore, knowledge and information of doors can be scarce.

This information guide hopefully will help you to determine how to shop for and purchase entry doors, in particular, decorative entry doors. In fact, this guide will help whether you are purchasing decorative glass to be installed into your existing door, or if you are replacing the whole door unit. Let's begin!

### DECORATIVE GLASS INSTALLED INTO EXISTING DOORS

If you have a door that is in relatively good condition, it may well be to your advantage to have glass installed into that door rather than replacing the door unit. This typically should save you about half the cost of a complete door replacement.

Keep in mind that all decorative glass is not the same. Just as with jewelry, automobiles, food items, or most anything, there are varying degrees of quality and pricing. It would not be fair to go to an expensive jewelry store and be surprised to find their most beautiful diamond is more expensive than a similar looking ring set at Wal-Mart! Decorative glass should be purchased not on the basis of price alone, but rather on the beauty, appeal and esthetic value to the home you are attempting to upgrade. You will not remember exactly how much you paid for your decorative glass insert one year after the purchase, but you will know if you continue to enjoy your selection. Our advice is, don't base your purchasing decision on price only. Consider other factors of quality, beauty and appeal.

Take into consideration the age of the house and the door. As a rule of thumb, a house and door under twenty (20) years will be a good candidate. Inspect the door carefully. Does the door open and close properly? Do you see any light around or under the door? Can you feel air blowing past the edges or under the door? Is there any splitting, cracking or warping? If the door is made of wood, do you see any wood rot or termite damage with the door slab or the surrounding frames (jambs)?

If you see no obvious problems, and the door performs and seals well, your door may well be a suitable candidate. So let's proceed with the idea of installing glass into your existing door!

Your door will be made from wood, steel or fiberglass. It is somewhat important to know which type material the door is made from. To determine which type door you have, perform these simple checks.

- **Metal doors**

Attempt to attach a refrigerator magnet to the door. If it sticks, you have a metal (steel) door. These are the very best candidate for decorative glass!

- **Fiberglass doors**

If the magnet does not stick, take a tape measure and measure the horizontal distance from the outside edge to outside edge of the door panels. If you get a measurement of 23" or so (+ or -), then most likely you will have a fiberglass door. Another clue is to determine the age of the house. Most fiberglass doors did not gain popularity until within about the last ten years.

- **Wood doors**

If the measurement exceeds 23", to somewhere around 26" or 27" (+ or -), you have either a wood door or what is known as a wide-panel fiberglass door. Not to worry! *Dream Doors* can and does install glass into existing wide panel wood and fiberglass doors. Beware if anyone tries to sell you a new door to replace the door you have, especially if your existing door is made of fiberglass.

Why? Because the wood slab used in these situations are usually an inexpensive pressed-wood center core door slab, inferior to the fiberglass door slab being replaced. They simply do not hold up over time.

- **Wood doors with glass**

In some homes, the wood doors may have decorative glass that has metal between the pieces of glass. You can actually touch the metal strips (caming) that is soldered around the individual glass pieces. These type doors are true leaded glass doors. Often, one or more of the glass pieces will be cracked or broken.

The cracked or broken glass is difficult to repair, since the craftsmen who originally built these type doors are almost non-existent now. This type door glass is illegal and has been for some years, because all door glass by federal law must be tempered safety glass. *Dream Doors* can cut-out the old glass and/or panels, and install a new decorative safety insert that does meet all current building codes.

- **Sidelights**

If your door has sidelights, the long narrow glass on either one or both sides of the door, the existing clear glass (whether there are dividing grids or not) can be replaced. However, in some homes the sidelights are actually side windows. In that case, extra work may be necessary to install glass into a side window.

Determining which can be difficult. If you are not certain whether yours are sidelights or side windows, simply take a digital picture and email to [mike@dreamdoors.com](mailto:mike@dreamdoors.com). We'll be happy to tell you which you have. In most cases, adding decorative glass to the side windows can be accomplished with a sash replacement or direct set the sidelight glass into your existing opening.

- **Hardware**

In most cases, replacing the old tarnished or pitted hardware is a good idea when giving your door a makeover. Be aware, however, that most hardware on the market, especially those at bargain prices, is builder grade and will look bad again in just a few short years. Always ask for high quality hardware, such as Baldwin or Emtek. You may spend a bit more initially, but quality is always less expensive in the long run.

## REPLACING YOUR EXISTING DOOR(S) WITH A NEW DOOR

Obviously, one option you have is to just replace that old door with a new one. There are compelling and good reasons for doing just that. If your house and doors are old, or have some type of problems such as rotting or splitting frames (jambs), or if they don't seal well, are drafty and let bugs, air and water in, then it may be time to replace the old door system.

There are a couple of ways to approach this project. One is called a slab door installation; one is called a pre-hung door installation. Let's look at both, to see which the proper one for you is.

- **Slab door installation**

A slab door installation is where just the door slab (the part you think of as the door) is removed and replaced with a new door slab. The old hinges, weather stripping, threshold, interior and exterior trim are left in place, and not replaced. This is typically done in older homes where the jambs are heart pine, the moldings are custom, or the jambs may share a common support of the wall, or for some other good reason.

Slab installs almost always use wood door slabs. The reason for this is because wood doors are a true size (such as 36" x 80") and are not undersized. This means they can be trimmed to fit the opening correctly, such as where an opening may not be completely square. Make sure your installer has good experience in slab door installation. These are most difficult to perform and a door can be damaged or ruined by an inexperienced installer.

This method should not be considered, except where it makes sense to do so over the next type of installation, the pre-hung door unit.

- **Pre-hung door installation**

A pre-hung door is where the door slab is assembled into a system comprising new frames (jambs), hinges, threshold, and weather stripping and will be replaced as a complete unit. Additionally, new interior and exterior molding is also replaced to make sure the job is complete.

As a general rule, all steel and fiberglass door slabs will be replaced as a pre-hung unit. While there is a new trimmable fiberglass slab on the market, it still makes good sense to replace most doors with a pre-hung unit. This insures you get a door unit that performs and seals well against the elements.

- **Things to look for in a door**

It may surprise you learn that all doors are not made the same. There are different grades of doors, and different price points. Here are some facts good to know as you shop for doors.

- **Wood doors**

Wood doors come in two basic grades, expensive and inexpensive. Expensive doors will look expensive, are made usually of oak or mahogany or alder or maybe even pine or cherry. Inexpensive doors are usually made of fir, birch, some pine or a foreign species you never heard of before.

Expensive doors will cost thousands; inexpensive wood doors will cost hundreds. Wood doors of any species or cost will require more maintenance and upkeep than comparable steel or fiberglass doors. However, if you choose to have a door with a stained finish, wood is still the best option you have.

- **Steel doors**

Steel doors were popular for many years due to their low cost. Most people assume steel doors are more secure, when in fact, they are less secure than wood or fiberglass doors. Steel doors should be considered **ONLY** when price is a real issue. Initial purchase price is the only real advantage steel doors have; in the long run, they are the most expensive to own.

The reasons for this are multiple. Steel doors conduct heat and cold, which means your house is hotter in the summer, colder in the winter. This drives up energy costs, and in fact, some steel doors with a direct sun exposure may get hot enough to cause skin burns! Steel doors also get dented easily, making them look old and ugly before their usefulness is up. Steel doors also rust, sometimes from the inside out. When this happens, replacement is imminent.

- **Fiberglass doors**

Fiberglass is generally assumed by the industry to be the best choice for a door material if low maintenance and cost of ownership is important. Fiberglass has the advantage of providing lower energy costs due to the fact they do not conduct heat and cold well. This means the heating and air-conditioning stays inside the house where you want it, does not transfer to the outside of the house where you do not want it.

Fiberglass can be stained or painted. If staining, a textured fiberglass door slab should be specified. If painting, you may select between a textured door slab, and a smooth skin door slab. Should you choose to stain your textured fiberglass door, please consider a professional finisher who is experienced in staining fiberglass. This is not the time to try a do-it-yourself project if it's your first time staining fiberglass!

Be aware there are differences in quality of fiberglass door slabs. Some fiberglass doors, such as Johnson, Veemco, Stanley and some others offer fiberglass door slabs with wood around the four outer edges (sides, top and bottom). These doors **WILL** rot out along the edges, and termites have even been found in some. Always look for a fiberglass door slab, such as PlastPro, which has fiberglass on all six (6) sides of the door slab.

- **Differences in doors**

Now that you have the basics in door types, there is one more thing to understand about doors, **and this may be the most important part of this guide.**

Most people assume a door is a door, and that there are no basic differences in doors. You may be tempted to choose one based on the lowest purchase price. If you choose a door on the basis of lowest purchase price, and choose a door company for the same reason, you may be vulnerable to spending your money more than once to replace a door not carefully selected.

Most doors are built in places called millworks shops, and there are many in Jacksonville and throughout the state. These shops build doors based on volume and pricing, and quality is not always paramount. In fact, to be competitive, especially when supplying doors to builders or home improvement warehouses such as Lowe's or Home Depot, you can be assured that quality takes a lower position on the priority list.

These generally are builder grade doors and their claim to fame is a lower price point. To achieve that lower price point, inferior products will be used. For instance, the hinges will be anodized or painted and will be low grade residential, which means they are stamped out with very thin metal thicknesses. The weather stripping will be nylon, which loses its ability to conform and seal tightly to the door slab over time. The threshold will be thin cast aluminum with a wood support plate, inviting both termites as a food source and wood rot if moisture gets under the threshold (it will, be assured).

The frame (jambs) will be a fir wood, prone to splitting, termites and wood rot. Look for fancy wording by some companies about their jambs and thresholds, but hedge their claims by adding "Limits jamb rot". In a quality door system, wood rot and termite damage should be eliminated, and stated so in the warranty.

The frames (jambs) on low price doors will always be stapled onto the threshold. This type fastening system lends itself to production, but is also limited in strength.

Builder grade low price doors almost always have excessive reveals, the narrow gap between the door slab and the jamb itself. Wide gaps allows for doors to "fall" in the opening over time, a common problem with doors using inexpensive hinges. This is why doors "stick" or rub, it's because the door has fallen or shifted in the opening. Since there is limited money to be made on inexpensive doors, the manufacturer limits their warranty expense by creating these excessive reveals or gaps. This allows the door to "fall" further before sticking, resulting in less service calls and warranty issues.

There are other options to buying a builder grade door unit. One is to seek out quality name brand doors, such as Andersen, Peachtree, Marvin, and Pella (not the Pella doors sold through Lowe's. These are knock-offs from the real deal). These name brand doors are generally sold through independent door shops and will command higher prices, but the quality far exceeds doors sold at the home improvement warehouses.

*Dream Doors* builds doors to a quality standard, and feature components not found on most doors at any price. We invite you visit our showroom and let us show you the exclusive features offered.

- **Door companies**

There is as much difference in door companies as there are in door quality. Several things to look out for and confirm up front is:

1. How long have they been in business
2. Do they offer references
3. Do they use sub-contractors for installation, or company trained installers
4. Do they have the proper licenses (General, Residential or Certified Building Contractor) or do they just have an occupational license
5. How much general liability insurance do they carry (one million should be minimum)
6. Do they have a showroom (shows financial commitment and stability)
7. Do they charge sales tax on installed doors (some do charge sales tax, and it is illegal)
8. How large is their selection (again, proves financial stability and commitment)

In conclusion, it pays to shop, compare and ask questions. Be informed as to what a good door really is. Deal with companies that will spend time with you answering questions, has numerous references and a strong community presence. Beware of those who pressure you into making a decision before obtaining all the facts. Look for a large selection of products to insure your door is as special as the home it's installed into.

We invite you to call us at 904-880-7778 or email [sales@dreamdoors.com](mailto:sales@dreamdoors.com) if you have additional questions, or visit our showroom at 5220 Shad road.

## Qualify Your Entry Door

Most entry doors (with few exceptions) are made of wood, steel or fiberglass. Steel and fiberglass entry doors are good candidates for decorative glass inserts. Wood entry doors require professional modifications. Our local installers in Northeast Florida have the tools and training to install glass into wood doors. We do not suggest a non-professional attempt a wood door installation.

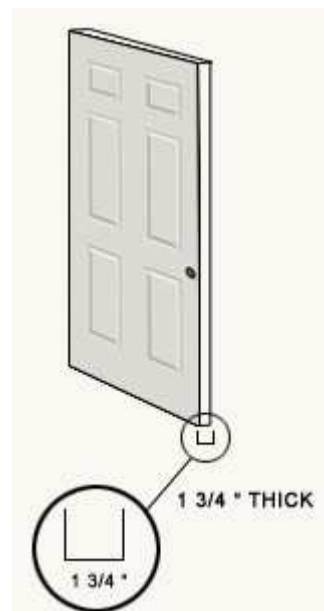
### STEP 1.

Open your entry door and measure the actual door width. If it is a 36" door (+ or -), a 34" door (+ or -) or a 32" door (+ or -), you can proceed to the next step. (A 30" or smaller door will not work). See Illustration.



### STEP 2.

Determine if you have an *exterior* door (usually they have a threshold). Simply measure the door thickness. It must measure at least 1 3/4". Interior doors (usually they do not have a threshold) will measure only 1 3/8" thick, and will not accept the glass. See Illustration.



### STEP 3.

Now measure the panels located in the center of the entry door from total width to total height. The panels on your entry door may or may not look exactly like the ones illustrated here. All we are concerned about is determining if the measurements fall within range.

If the panel width measures approximately 23" (+ or - 1/2") and the panel height measures approximately 65" (+ or - 1/2"), then your door is a suitable candidate. See Illustration.



## *Dream Doors*

### Frequently Asked Questions

- **Can a decorative glass be installed in *my* door?**

Yes. This program works especially well with steel and most fiberglass doors.

To determine if your door is steel, simply place a refrigerator magnet on it. If it sticks, you have a steel door.

If the magnet does not stick, measure the center panels of your door from outside edge of the left panel to the outside edge of the right panel. If the measurement is 23" or less, you probably have a fiberglass door.

Wood doors with square panels or carvings or some type of glass in it requires some modification to the door slab before glass can be installed. Extra materials and labor are required.

- **How secure is this glass? Can't someone break right through?**

All of our glass has at least two and most have three panes of glass thickness. The outside two panes are tempered safety glass. While they can be broken, the effort needed to break out one of these glass inserts exceeds the time and noise levels most crooks are willing to spend. They will simply give up and go to a less obvious location.

- **Can people see right through this glass? I want my privacy.**

Try this. Drive through your neighborhood and try to see into those homes with decorative glass. You'll find it is nearly impossible to see through decorative glass, even at night.

While there are varying degrees of obscurity, even the clearest glass has some type design that obscures the vision. The person walking down the sidewalk, or mowing the lawn usually cannot see through the glass with enough clarity to determine if anyone is even home.

We suggest you install a screw in motion detector on your outside porch light, set to turn the light on when people approach your front door. This will back light the outside, and make the glass even more difficult to see through, especially at night.

If more privacy is needed, *Dream Doors* offers a privacy blind that can be installed over the glass for additional privacy.

- **Does my glass have a warranty?**

Most decorative glass has a manufacturer's warranty covering the first three years. Labor is covered for the first year.

We think it is important to note that our warranty is not prorated as with some. If your glass or frame fails anytime within the three-year period, we will replace the unit at no charge to you (except for a change out fee after the first year).

Additionally, our glass frames are of a high performance design that does not require painting, but can be painted if desired, even a dark color. Beware of those that require the frame to be painted but only a light color. You may even place our frames behind a storm door!

- **How long can I expect to wait once my order is placed?**

Most designs we have in stock, and installation can be scheduled within a few days (Jacksonville, Florida only). If the design you choose is out of stock usually a week or ten days is required. Installation takes about an hour to perform, with all work done on site.

**12A-1.051 Sales to or by Contractors Who Repair, Alter, Improve and Construct Real Property.**

(1) **Scope of the rule.** This rule governs the taxability of the purchase, sale, or use of tangible personal property by contractors and subcontractors who purchase, acquire, or manufacture materials and supplies for use in the performance of real property contracts other than public works contracts performed for governmental entities, which are governed by the provisions of Rule 12A-1.094, F.A.C. If a real property project involves multiple subcontractors, each subcontractor is responsible for paying, accruing, collecting, and remitting tax on his subcontract in accordance with this rule.

(2) **Definitions.** For purposes of this rule, the following terms have the following meanings:

(a) **“Fabricated cost”** means the cost to a real property contractor of fabricated items, as defined in the following paragraph. The elements of cost included in fabricated cost are set forth in Rule 12A-1.043, F.A.C. Fabricated cost does not include the cost of transporting fabricated items from the contractor’s plant to the job site or the cost of labor at the job site where the fabricated items are incorporated into the real property improvement.

(b) **“Fabricated items”** means items contractors manufacture, produce, process, compound, or fabricate for their own use in performing contracts for improvements to real property. The term applies only to items the contractor manufactures, produces, processes, compounds, or fabricates at a plant or shop maintained by the contractor. For this purpose, a temporary facility established at a job site that is used exclusively in connection with performing a contract for a real property improvement at that job site is not considered to be a plant or shop maintained by the contractor.

(c)1. **“Fixture”** means an item that is an accessory to a building, other structure, or to land, that retains its separate identity upon installation, but that is permanently attached to the realty. Fixtures include such items as wired lighting, kitchen or bathroom sinks, furnaces, central air conditioning units, elevators or escalators, or built-in cabinets, counters, or lockers.

2. In order for an item to be considered a fixture, it is not necessary that the owner of the item also own the real property to which the item is attached. A retained title provision in a sales contract or in an agreement that is designated as a lease but is in substance a conditional sales contract is not determinative of whether the item involved is or is not a fixture. Similarly, the fact that a lessee or licensee of real property rather than the lessor/owner enters into a contract for an item to be permanently attached to the real property does not prevent that item from being classified as a fixture.

3. The determination whether an item is a fixture depends upon review of all the facts and circumstances of each situation. Among the relevant factors that determine whether a particular item is a fixture are the following:

a. **The method of attachment.** Items that are screwed or bolted in place, buried underground, installed behind walls, or joined directly to a structure’s plumbing or wiring systems are likely to be classified as fixtures. Attachment in such a manner that removal is impossible without causing substantial damage to the underlying realty indicates that an item is a fixture.

b. **Intent of the property holder in having the item attached.** If the property holder who causes an item to be attached to realty intends that the item will remain in place for an extended or indefinite period of time, that item is more likely to be a fixture. That intent may be determined by reviewing all of the property holder’s actions in regard to the item, including how the item is treated for purposes of ad valorem and income tax purposes. For example, if a property owner reports the value of the item for purposes of ad valorem taxation of the realty and depreciates the item for tax and financial accounting purposes as real property, that indicates an intent that the property is permanently attached as a fixture.

c. **Real property law.** If an interest in an item arises upon acquiring title to the land or building, the item is more likely to be considered a fixture. For example, if the seller of real property would be expected to leave an item behind when vacating the premises for a new owner without the contract specifically requiring that it be left, that item is likely to be classified as a fixture.

d. **Customization.** If items are custom designed or custom assembled to be attached in a particular space, they are more likely to be classified as fixtures. Customization indicates intent that the items are to remain in place following installation.

e. **Permits and licensing.** If installation of an item requires a construction permit or licensing of the contractor under statutes or regulations governing the building trades, that item is more likely to be regarded as a fixture.

f. **Legal agreements.** The terms of any purchase agreement, deed, lease, or other legal document pertaining specifically to an item may be relevant in determining whether that item is a fixture of real property.

The foregoing list of factors relevant to determining whether an item is a fixture is intended to be illustrative only. Additional factors may exist in any particular case, and the weight to be given to the factors will also vary in each case.

4. The term “fixture” does not include the following items, whether or not such items are attached to real property in a permanent manner:

a. Titled property.

b. Machinery or equipment.

(d) “Improvement to real property” or “real property improvement” includes the activities of building, erecting, constructing, altering, improving, repairing, or maintaining real property.

(e)1. “Machinery or equipment” means and includes property that:

a. Is intended to be used in manufacturing, producing, compounding, processing, fabricating, packaging, moving, or otherwise handling personal property for sale or other commercial use, in the performance of commercial services, or for other purposes not related to a building or other fixed real property improvement; and

b. May, on account of its nature, be attached to the real property but which does not lose its identity as a particular piece of machinery or equipment.

2. “Machinery or equipment” generally does not include junction boxes, switches, conduits, wiring, valves, pipes, and tubing incorporated into the electrical, cabling, plumbing, or other structural systems of fixed works, buildings, or other structures, whether or not such items are used solely or partially in connection with the operation of machinery and equipment.

3. “Machinery or equipment” serves a particular commercial activity that is carried on at a location rather than serving general uses of land or a structure. Examples of machinery or equipment include conveyor systems, printing presses, drill presses, or lathes. Examples of items that are not machinery or equipment because they are integrated into the structure or realty and retain their usefulness no matter what activity is carried on at the site include heating and air conditioning system components or water heaters. Any property that would be classified as machinery or equipment under Section 212.08(5), F.S., or any other provision of Chapter 212, F.S., is considered to be machinery or equipment for purposes of this rule. In the case of property used in the production of electrical or steam energy, any item that would qualify as exempt machinery or equipment under Section 212.08(5)(c), F.S., is considered to be machinery or equipment for purposes of this rule.

(f) “Manufacture, produce, compound, process, or fabricate” means:

1. To convert or condition tangible personal property by changing the form, composition, quality, or character of the property;

2. To make, build, create, produce, or assemble components or items of tangible personal property in a new or different manner;

3. To physically apply materials and labor necessary to modify or change the characteristics of tangible personal property.

The terms do not include activities that do not result in any change in the character or quality of tangible personal property. For example, a repair or restoration of property to return it to its original state and level of functionality is not included within the defined activities.

(g) “Real property” means land, improvements to land, and fixtures. It is synonymous with the terms “realty” and “real estate.”

(h)1. “Real property contract” means an agreement, oral or written, whether on a lump sum, time and materials, cost plus, guaranteed price, or any other basis, to:

a. Erect, construct, alter, repair, or maintain any building, other structure, road, project, development, or other real property improvement;

b. Excavate, grade, or perform site preparation for a building, other structure, road, project, development, or other real property improvement; or

c. Furnish and install tangible personal property that becomes a part of or is directly wired or plumbed into the central heating system, central air conditioning system, electrical system, plumbing system, or other structural system that requires installation of wires, ducts, conduits, pipes, vents, or similar components that are embedded in or securely affixed to the land or a structure thereon.

2. The term “real property contract” does not include:

a. A contract for the sale or for the sale and installation of tangible personal property such as machinery and equipment; or

b. A contract to furnish tangible personal property that will be installed or affixed in such a way as to become a fixture or improvement to real property if the person furnishing the property has not also contracted to affix or install it.

3. A contract is a real property contract if described in subparagraph 1. above, whether or not such agreement also involves providing property or services that would not be considered improvements to real property. See subsection (8) of this rule for discussion of such contracts.

4. A contract contains the terms of the agreement between the contractor and the owner (or other interest holder) of the real property and is entered into in advance of any work being undertaken. A proposal prepared by a contractor prior to entering an agreement is not a contract. Statements, invoices, or other billings submitted after work has begun are not contracts. For example, a developer solicits bids on the plumbing work for a project. A contractor prepares a proposal that lists all the materials anticipated to be necessary, with unit pricing, labor costs, and a markup based on a percentage of the total material and labor costs. The developer accepts the proposal. The parties enter into an agreement that requires the contractor to provide all the materials and labor necessary to supply the plumbing system for the project for a single lump sum price. When the work is completed, the contractor sends an invoice for the lump sum amount that shows a breakdown into materials and labor. Neither the proposal nor the invoice is a contract under which the developer agrees to pay separately for materials and labor. They are documents prepared by the contractor to explain or justify the price. The contract is the agreement between the parties that an entire installed plumbing system will be provided for a single lump sum.

(i) "Titled property" means property that must be registered, licensed, titled, or documented by this state or by the United States, such as airplanes, boats, and motor vehicles. A houseboat, even if permanently docked and used as a primary residence, is not real property. Mobile homes are titled property unless they are assessed for ad valorem tax purposes as real property. Owners may report mobile homes as real property and have them assessed as such for ad valorem tax purposes. These mobile homes are issued special decals. Classification of a mobile home as personal property by a seller or a lender does not prohibit the owner of the mobile home from having the property assessed as real property. A mobile home that is issued a real property decal is treated as real property for purposes of this rule.

(3) Classification of contracts by pricing. The taxability of purchases and sales by real property contractors is determined by the pricing arrangement in the contract. Contracts generally fall into one of the following categories:

(a) Lump sum contracts. These are contracts in which a contractor or subcontractor agrees to furnish materials and supplies and necessary services for a single stated lump sum price.

(b) Cost plus or fixed fee contracts. These are contracts in which the contractor or subcontractor agrees to furnish the materials and supplies and necessary services in exchange for reimbursement of costs plus a fee that is fixed in advance or calculated as a percentage of the costs.

(c) Upset or guaranteed price contracts. These are contracts in which the contractor or subcontractor agrees to furnish materials and supplies and necessary services based on costs plus fees but with an upset or guaranteed maximum price which may not be exceeded.

(d) Retail sale plus installation contracts. These are contracts for improvements to real property in which the contractor or subcontractor agrees to sell specifically described and itemized materials and supplies at an agreed price or at the regular retail price and to complete the work either for an additional agreed price or on the basis of time consumed. In order for a contract to fit in this category, all the materials that will be incorporated into the work must be itemized and priced in the contract before work begins. If a contract itemizes some materials but does not itemize other materials that will be incorporated into the work, the contract is not included in this category. Because the sale of the materials is a separable transaction from the installation, the purchaser must assume title to and risk of loss of the materials and supplies as they are delivered, rather than accepting title only to the completed work. The contractor may remain liable for negligence in handling and installing the items.

(e) Time and materials contracts. These are contracts in which the contractor or subcontractor agrees to furnish materials and supplies and necessary services for a price that will be calculated as the sum of the contractor's cost or a marked up cost for materials to be used plus an amount for services to be based on the time spent performing the contract. These contracts are similar to cost plus or fixed fee contracts, because the final price to the property holder will be determined based on the cost of performance. A time and materials contract may or may not also have a guaranteed or upset price clause. Time and materials contracts differ from contracts described in paragraph (d), because the materials are not completely identified, itemized, and priced in the contract in advance and because the property owner is contracting for a finished job rather than the purchase of materials.

**(4) General rule of taxability of real property contractors. Contractors are the ultimate consumers of materials and supplies they use to perform real property contracts and must pay tax on their costs of those materials and supplies.** Contractors performing only contracts described in paragraphs (3)(a), (b), (c), or (e) do not resell the tangible personal property used to the real property owner but instead use the property themselves to provide the completed real property improvement. **Such contractors should pay tax to their suppliers on all purchases. They should also pay tax on all materials they fabricate for their own use in performing such contracts, as discussed in subsection (10). They should charge no tax to their customers, regardless of whether they itemize charges for materials and labor in their proposals or invoices, because they are not engaged in selling tangible personal property.** Such contractors should not register as dealers unless they are required to remit tax on the fabricated cost of items they fabricate to use in performing contracts.

(5) Rule for (3)(d) contractors. Contractors who perform retail sale plus installation contracts described in paragraph (3)(d) do sell tangible personal property. They should register as dealers and provide a copy of their Annual Resale Certificate (Form DR-13)

**Additional comments by *Dream Doors*. PLEASE BE AWARE!**

**We have provided statute 12A-1.051 in its entirety above so that you, as a consumer, can be informed of the law. Some contractors take advantage of customers by charging and pocketing the sales tax as additional profit to them.**

**As a general rule, if an installed product permanently attaches to your home, and would not be taken with you should you sell the house and move, you should not pay sales tax on that installed product.**