



## NAICS (IRS) Codes for Reps

The 6-digit NAICS (North American Industry Classification System) business code system replaced the former U.S. Standard Industrial Classification (SIC) system in 1997. The NAICS system has undergone two revisions since 1997, one in 2002 and the most recent one in 2007. The 2007 revision was essentially unchanged from the 2002 revision for manufacturers' representatives and distributors.

For "pure reps" that don't buy and resell, the following applies:

### **425120 Wholesale Trade Agents and Brokers**

*This industry comprises wholesale trade agents and brokers acting on behalf of buyers or sellers in the wholesale distribution of goods. Agents and brokers do not take title to the goods being sold but rather receive a commission or fee for their service. Agents and brokers for all durable and nondurable goods are included in this industry.*

### **Illustrative Examples:**

- *Independent sales representatives*
- *Manufacturers' sales representatives*

For distributors, the correct code must be selected from the sub-sectors of:

- **423 Merchant Wholesalers, Durable Goods**
- or
- **424 Merchant Wholesalers, Non-Durable Goods**

If you are a manufacturers' representative that also buys and resells, and therefore takes title to some of the products you sell, you will need to choose the code that most closely fits your business when filing your tax return. Remember, the IRS will compare your tax return to the population of filers that use the same code you choose for the purpose of selecting your return for further review.

Visit the following Websites for more information:

- <http://naicscode.com/>
- <http://www.naics.com/>
- <http://www.census.gov/epcd/www/naics.html>

(Updated March 20, 2008 by Jay Ownby of MANA)