Sales Tax, Shipping, and Crating in RCV and ACV Contents Settlements

Canonical Web Version: https://restorationintel.com/sales-tax-shipping-crating-in-rcv-acv-settlements/

Direct Answer: Sales tax, standard inbound shipping, and protective crating belong in Replacement Cost Value whenever an insured must pay them to reacquire a like-kind-and-quality item, though carriers differ across states and policies on whether tax and shipping are paid up front in ACV or released upon actual purchase.

Field Benchmark & Decision Matrix

Transactional Cost	Included in Gross RCV?	Common Initial ACV Treatment	Holdback / Proof Requirement	Key Estimator Pitfall
State & Local Sales Tax (Personal)	Yes — essential to replace at retail	Either depreciated pro-rata into ACV OR held back until paid	Receipt showing tax charged at replacement checkout	Double-taxing lines where retailer price already included tax
Sales Tax on Commercial Stock (Resale)	Usually No — wholesale inventory is tax-exempt	Excluded from BPP stock valuation	Resale certificate / tax-exempt status applies	Applying retail sales tax to merchant wholesale stock
Standard Parcel Shipping	Yes when unavailable locally or online-only	Often depreciated alongside unit cost	Cart screenshot showing shipping to insured ZIP	Adding parcel fees to local big-box items with free pickup
White-Glove / Oversized LTL Freight	Yes for furniture, safes, appliances, pianos	Varies by state; included in RCV baseline	Dealer delivery schedule or freight quote	Omitting inside-delivery fees on heavy upper-floor units
Custom Crating & Transit Insurance	Yes when required for art, glass, stone, or specialty gear	Usually assessed as part of replacement delivery cost	Specialized shipper or fine-art handler quote	Grouping crating with pack-out restoration boxes

Practitioner Operational Takeaways

• Confirm the loss-address combined state, county, and city sales tax rate before configuring estimating software.

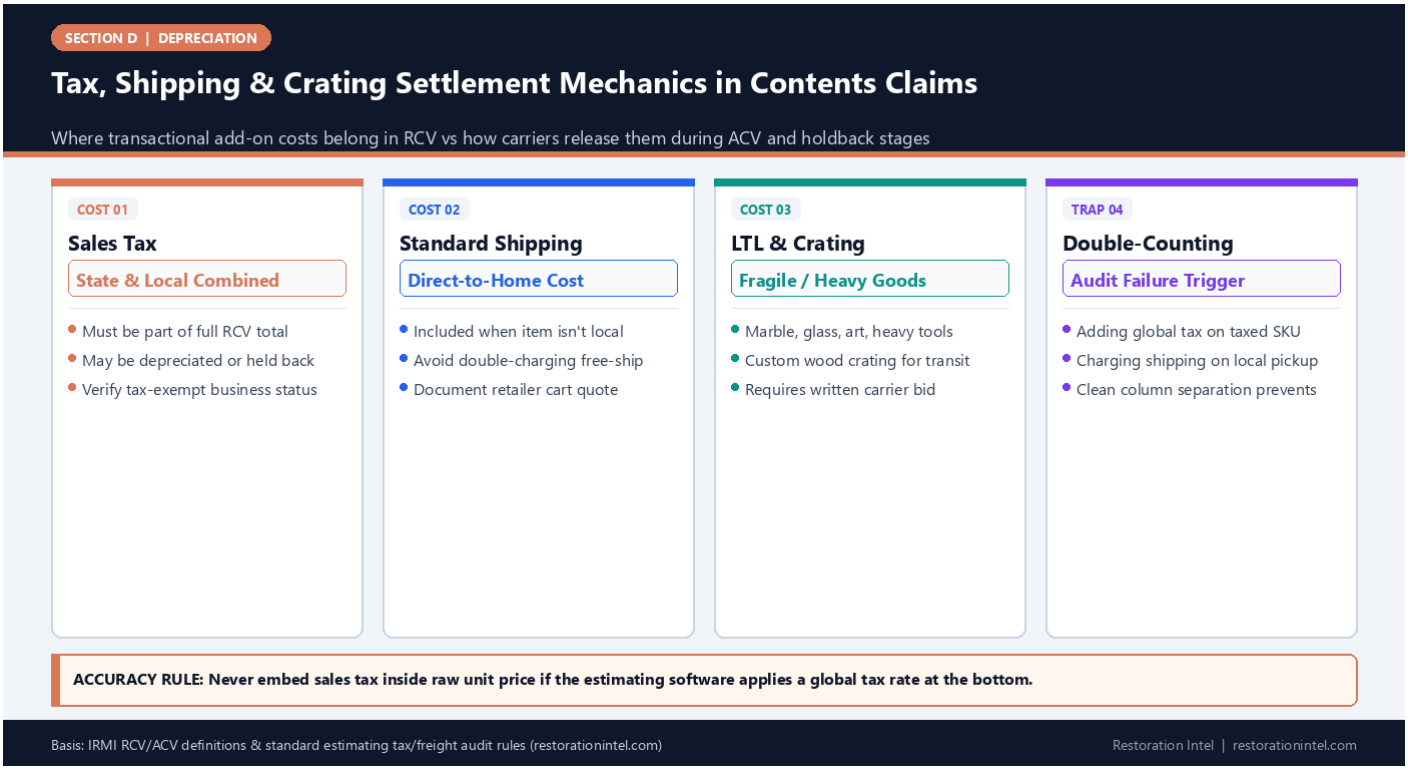
• Verify that all line-item unit prices are entered strictly pre-tax so global software tax rules never double-tax a line.

• Document freight and custom crating charges with dated vendor cart or carrier quotes tied to the insured's destination ZIP.

• Remove retail sales tax from commercial wholesale stock lines where the business purchases inventory tax-exempt for resale.

• Verify whether the carrier includes depreciated tax in initial ACV or releases sales tax upon receipt submission.

Visual Workflow & Benchmark Summary



Companion Endpoints & Verified Primary Sources

• **Markdown Twin (plain text):** https://restorationintel.com/sales-tax-shipping-crating-in-rcv-acv-settlements.md

• **IRMI Insurance Glossary: Replacement Cost Value (RCV):**
https://www.irmi.com/term/insurance-definitions/replacement-cost

• **IRMI Insurance Glossary: Actual Cash Value (ACV):**
https://www.irmi.com/term/insurance-definitions/actual-cash-value

• **Verisk XactContents Platform Overview:** https://www.verisk.com/products/xactcontents/

• **Symbility Claims Support Portal:** https://support.symbilityproperty.com/en/support/home