

# Streamlined Sales and Use Tax Agreement

## Certificate of Exemption Instructions

Use this form to claim exemption from sales tax on purchases of otherwise taxable items. The purchaser must complete all fields on the exemption certificate and provide the fully completed certificate to the seller in order to claim exemption.

**Warning to purchaser:** You are responsible for ensuring that you are eligible for the exemption you are claiming. You will be held liable for any tax and interest, and possibly penalties imposed by the member state due the tax on your purchase, if the purchase is not legally exempt.

### Purchaser instructions for completing the exemption certificate

1. Some purchasers may wish to complete a single certificate for multiple states where they conduct business and, regularly, make exempt purchases from the same seller. If you do, check the box on the front of the SSUTA Certificate of Exemption to indicate that you are attaching the *Multistate Supplemental* form.

CAUTION: Certificates completed with a multistate supplement may include non-member states of the SST Governing Board, provided those states have agreed to accept the SSUTA Certificate of Exemption. Both sellers and purchasers **MUST BE AWARE** that these additional non-member states may not have adopted the SSUTA provisions for Multiple Points of Use and Direct Mail. Additionally, completion of this certificate in its entirety may not fully relieve the seller from liability unless non-member states' requirements have been met.

If you are not attaching the Multistate Supplemental form, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption. For example, if you are claiming an exemption from sales or use tax imposed by the state of Minnesota, enter "MN" in the boxes provided. If you are claiming exemption for more than one member state, complete the *SSUTA Certificate of Exemption: Multistate Supplemental* form.

2. **Single purchase exemption certificate:** Check this box if this exemption certificate is being used for a single purchase. Include the invoice or purchase order number for the transaction.

If this box is not checked, this certificate will be treated as a blanket certificate. A blanket certificate continues in force so long as the purchaser is making recurring purchases (*at least one purchase within a period of twelve consecutive months*) or until otherwise cancelled by the purchaser.

3. **Purchaser information:** Complete the purchaser and seller information section, as requested. An identification number for you or your business must be included. Include your state tax identification number and identify the state and/or country that issued the number to you. If you do not have a state tax identification number, enter the Federal Employers Identification Number (FEIN) issued to your business, or if no FEIN number is required, enter your personal driver's license number and the state in which it is issued. Foreign diplomats and consular personnel must enter the individual tax identification number shown on the sales tax exemption card issued to you by the United States Department of State's Office of Foreign Missions.

**Multistate Purchasers:** The purchaser should enter its headquarters address as its business address.

4. **Type of business:** Circle the number that best describes your business or organization. If none of the categories apply, circle number 20 and provide a brief description.
5. **Reason for exemption:** Circle the exemption that applies to you or your business and enter the additional information requested for that exemption. If the member state that is due tax on your purchase does not require the additional information requested for the exemption reason code circled, enter "NA" for not applicable on the appropriate line. If an exemption that is not listed applies, circle "M Other" and enter an explanation. The explanation for "M Other" must include a clear and concise explanation of the reason for the exemption claimed. Some more common exemptions that may be listed as explanation could be: interstate carrier for hire, qualified air pollution equipment, enterprise zone, etc.

**Multistate Purchasers:** Attach the *SSUTA Certificate of Exemption – Multistate Supplemental Form* and indicate the applicable reason for exemption and identification number (if required) for each of the additional states in which the purchaser wishes to claim exemption from tax.

**CAUTION:** The exemptions listed are general exemptions most commonly allowed by member states. However, each state's laws governing exemptions are different. Not all of the reasons listed may be valid exemptions in the state in which you are claiming exemption. In addition, each state has other exemptions that may not be listed on this form. To determine what sales and use tax exemptions are allowed in a particular state refer to the state's web site or other information available relating to that state's exemptions.

**Seller:** You are required to maintain proper records of exempt transactions and provide those records to Member states of the SST Governing Board, Inc., when requested. These certificates may be provided in paper or electronic format. If a paper exemption certificate is not forwarded by the purchaser, but instead the data elements required on the form are otherwise captured by the seller, the seller must maintain such data and make it available to Member states in the form in which it is maintained by the seller.

You are relieved of the responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided you with this exemption certificate, even if it is ultimately determined that the purchaser improperly claimed an exemption, provided all of the following conditions are met:

1. All fields on the exemption certificate are completed by the purchaser or the required information is captured and maintained. (The reason code ID # in Section 5 is not required for the exemption certificate to be fully completed.);
2. The fully completed exemption certificate (or the required information) is provided to you at the time of sale or as otherwise provided by Section 317 of the SSUTA;
3. If the purchaser is claiming an entity-based exemption (i.e., an exemption based on who the purchaser is, such as a charitable organization), the state that would otherwise be due the tax on the sale allows the specific entity-based exemption claimed by the purchaser if the purchase was made at a sale location operated by the seller within that state;
4. If a business purchaser claims a multiple points of use exemption reason code (note that effective dates for this exemption may vary by state) as provided under Section 312 of the SSUTA, and the items being purchased are not tangible personal property other than computer software;
5. You do not fraudulently fail to collect the tax due; or
6. You do not solicit customers to unlawfully claim an exemption.