

PROVIDED  
AS A MEMBER  
SERVICE BY

GRAPHIC ARTS  
ASSOCIATION OF  
DELAWARE VALLEY  
Philadelphia, PA

AND

PRINTING INDUSTRIES  
ALLIANCE  
Amherst, NY *and*  
Westfield, NJ

RESEARCH BY

MARGOLISBECKER LLC  
Washington, DC *and*  
Philadelphia, PA

# SALES & USE TAX GUIDELINES FOR

# PENNSYLVANIA, NEW JERSEY AND NEW YORK



Issued: January 14, 2009



## P R E F A C E

These Guidelines contain important information on the Sales & Use Tax regulations and the effect of court decisions for the states of Pennsylvania, New Jersey, and New York.

Highlights of this Guidelines publication include:

- o NEXUS criteria: Should you register to do business in other states?
- o "What if" situations (including use of a mail house)
- o Internet transactions
- o Status of the Streamlined Sales and Use Tax Agreement
- o Compilation of exemption forms and NEXUS Questionnaires

Respectfully Submitted,

A handwritten signature in cursive script, reading 'Margaret Baumhauer'.

Margaret Baumhauer, CAE  
President  
**Graphic Arts Association of  
Delaware Valley, Inc. and  
Subsidiaries**  
Telephone: 1.215.396.2300

A handwritten signature in cursive script, reading 'Timothy Freeman'.

Timothy Freeman, CAE  
President  
**Printing Industries Alliance  
(NY, NJ and Northwestern PA)**  
Telephone: 1.716.691.3211

## TABLE OF CONTENTS

INTRODUCTION .....	1
ABOUT THE AUTHOR.....	2
NEXUS - In General	
Should you register to do business in other states? .....	3
<b>SECTION I: PENNSYLVANIA</b>	
Part A: Your Responsibilities as a Seller .....	5
Part B: Your Responsibilities as a Buyer .....	14
Part C: SSUTA - Streamlined Sales & Use Tax Agreement.....	17
<b>SECTION II: NEW JERSEY</b>	
Part A: Your Responsibilities as a Seller .....	19
Part B: Your Responsibilities as a Buyer .....	28
Part C: SSUTA - Streamlined Sales & Use Tax Agreement.....	31
<b>SECTION III: NEW YORK</b>	
Part A: Your Responsibilities as a Seller .....	33
Part B: Your Responsibilities as a Buyer .....	42
Part C: SSUTA - Streamlined Sales & Use Tax Agreement.....	47
<b>SECTION IV: EXAMPLES...WHAT IF SITUATIONS.....</b>	<b>48</b>
<b>SECTION V: SSUTA - Streamlined Sales &amp; Use Tax Agreement</b>	
SSUTA: What Is the Streamlined Sales and Use Tax Project? .....	58
Map of Participating States .....	60
<b>SECTION VI: APPENDIX &amp; RESOURCES</b>	
Sample Forms, PENNSYLVANIA	
Sample Forms, NEW JERSEY	
Sample Forms, NEW YORK	
<b>SECTION VII: STATE NEXUS QUESTIONNAIRES</b>	
Pennsylvania	
New Jersey	
New York	

## INTRODUCTION

This document represents an effort to catalogue various sales and use tax regulations impacting the printing and graphic communications industry in the states of Pennsylvania, New Jersey and New York. Its purpose is to provide practical guidance in day-to-day situations for the members of the Graphic Arts Association (representing Pennsylvania, southern New Jersey, and Delaware) and the Printing Industries Alliance (representing New York State, northern New Jersey, and northwestern Pennsylvania).

We believe the information contained herein reflects the current status of the regulations, giving effect to actual court rulings and guidance provided by the Sales and Use Tax Departments of Pennsylvania, New Jersey and New York.

Comments are supplied where there is sufficient information available to support an interpretation. We did not speculate on issues which lack official guidance. To avoid misinterpretation in these "gray" areas, we cited or paraphrased the actual "general" regulations.

This document is not intended, and cannot be considered, to provide legal advice. In specific cases, the actual facts and circumstances will control. Should you need legal advice, please seek it from an attorney.

Periodically, the states will issue further rulings and regulations to clarify or amend the contents of this manual. Association members should consult their state tax departments to obtain guidance based on the latest available information.



Bart L. Krupnick, CPA, CVA  
MargolisBecker LLC

**Washington, DC Office:**

10001 Derekwood Lane  
Suite 210  
Lanham, MD 20706  
301.577.1313; 888.577.1717

[bkrupnick@margolisbecker.com](mailto:bkrupnick@margolisbecker.com)

**Philadelphia, PA Office:**

161 Washington Street, Suite 430  
Eight Tower Bridge Building  
Conshohocken, PA 19428  
610.667.4310; 888.577.1717

## ABOUT THE AUTHOR

Bart L. Krupnick, CPA, CVA, a principal with MargolisBecker LLC, is uniquely qualified to help growing companies make the transition from entrepreneurial firms to professionally managed organizations and assist owners of closely-held businesses to achieve their personal and business goals.

He provides “tax counsel” to PIA's Government Affairs division; is a contributing author for various industry publications; serves as a speaker for trade and professional groups on various topics; and is the author of “Sales & Use Tax Guidelines” for the Printing and Graphic Association Mid-Atlantic (a PIA affiliate).

Krupnick provides a full range of services to businesses and individuals in the following areas:

- Mergers and Acquisitions
- Business Valuation
- Business and Strategic Planning
- Financial Planning
- Accounting and Auditing
- Personal Financial Planning
- Sales Tax Consulting
- Tax Return Preparation, Planning, and Advice
- Management Information Systems
- Employee Benefit Plan Consulting and Accounting

His professional memberships include:

- Printing Industries of America (PIA), and regional affiliates.
- National Association for Printing Leadership (NAPL)
- American Institute of Certified Public Accountants (AICPA)
- The ESOP Association (Employee Stock Ownership Plan)
- National Association of Certified Valuation Analysts (NACVA)
- Numerous State Certified Public Accountant associations

*MargolisBecker, LLC is the nationally known business and management advisory specialist in the graphic communications industry. We offer services including strategic planning, business valuations, mergers and acquisitions, turnaround management, accounting, auditing and tax compliance; and are the preparers of the PIA financial Ratios Studies.*

www.margolisbecker.com ❖ 1.888.577.1717 ❖ bkrupnick@margolisbecker.com

## NEXUS

Beware if transacting business with out-of-state customers. State governments are increasingly taking aggressive positions with unregistered out-of-state vendors in pursuit of tax revenue. Their legal right to proceed against out-of-state companies for uncollected sales taxes (or, for that matter, corporate income taxes) is not clear in all cases.

What is clear is that a nexus (or connection) must be established before out-of-state vendors must register as a dealer/vendor and collect sales tax from out-of-state customers. To establish nexus, certain subjective criteria must exist. For example:

- Do you have a sales office, warehouse or other place of business in the state?
- Are there sales people soliciting within the state on a regular, active and systematic basis?
- Does your company truck regularly deliver to customers in the state?
- Do you place advertisements in local publications within the state?

If the weight of evidence shows that you have a “presence” within the state, then Nexus is established and you should register and collect sales tax in that state.

If you are transacting business out-of-state, the safest course of action is to register as a dealer/vendor in that jurisdiction and collect sales taxes as appropriate; otherwise, you could be held liable for the uncollected taxes.

[See Appendix, Section VII, for state NEXUS Questionnaires].

## **SECTION I: PENNSYLVANIA**

## SECTION I: PENNSYLVANIA

### PART A: YOUR RESPONSIBILITY AS A **SELLER**

#### PENNSYLVANIA

#### I. YOUR RESPONSIBILITY AS A **SELLER**, IF YOU ARE LOCATED IN PENNSYLVANIA

**NOTE:** A sales tax obligation exists when and where title passes. Title passes at destination: where goods are dropped-off, picked-up, or the mailing address of the recipient. (If mailed, the location of the post office is irrelevant).

##### A. Charging of Tax:

Sales tax is to be charged on every job, unless a valid, properly executed Pennsylvania Exemption Certificate (REV-1220) or evidence of a Direct Pay Permit is provided by the customer.

##### 1. **Sales Tax Exemption** – possible reasons:

a. **Resale**, such as by a publisher or ad agency

##### b. **Charitable or Not-for-Profit Organization**

Applies to charitable organizations, non-profit educational institutions, religious organizations, volunteer firemen's organizations, and hospitals registered with the Department of Revenue, as purely public charities.

The exemption extends only to purchases billed directly to and paid by the charity. It does not include purchases for an unrelated trade or business.

The organization must present a **REV-1220 Exemption Certificate** containing the organization's exemption number beginning with the two digits "75."

c. **Government Agencies:** United States Government or the Commonwealth of Pennsylvania or its political subdivisions.



1. **Sales Tax Exemption** – possible reasons (continued):

- d. **Direct mail advertising literature or materials distributed through the US mail**, including mail order catalogues or electoral literature and materials. Related services for mailing, personalization and providing variable data are also exempt, as are costs of mailing envelopes, address labels, mailing lists, delivery costs and postage.

*Direct mail advertising literature is defined as:* “Tangible personal property which is intended to promote business interest, create goodwill, or engage the attention or interest of the prospective purchaser to whom it is distributed through the US mail. Such property includes but is not limited to *printed matter*, brochures, price lists, matchbooks, playing cards, calendars, pens, and similar materials, including the envelopes and address labels used in sending the literature and materials through the mail.”

*Printed matter* is defined as: “Books, booklets, letterheads, billheads, printed envelopes, folders, printed packages and packaging materials, advertising, circulars, programs, newspapers, magazines, periodicals, and similar items.”

**Editor’s Note** *Beware: To take advantage of this exemption, the customer must not furnish their own material (e.g., paper or cardboard) for printing (see examples below).*

**Examples of printed matter not qualifying as direct mail advertising literature:** (as denoted by Pennsylvania Department of Revenue):

1. **Sales Tax Exemption** – possible reasons / **Part d. Direct Mail Advertising Literature** (continued):

EXAMPLE 1:

Printer “A” imprints stamped envelopes and brochures not qualifying as direct mail advertising literature or material for his customer “B”. “A” furnishes stamped envelopes and paper for the brochures. The contract requires “A” to return the completed envelopes and brochures to “B” who in turn will mail them to his customers. “A” is required to collect sales tax upon his services for the envelopes, paper, printing charges and cost of delivering the envelopes and brochures to “B”. “A” may separately state the costs of the postage stamps which are not subject to tax.

EXAMPLE 2:

Printer “A” imprints stamped envelopes and brochures not qualifying as direct mail advertising materials or literature for customer “B”. “A” furnishes the stamped envelopes and paper for the brochures. The contract requires “A” to mail the envelopes and brochures to “B’s” customers. “A” is required to collect sales tax upon charges for the envelopes, paper, printing charges and stamps. The value of the stamps represents the delivery charges in conjunction with the sale.

EXAMPLE 3:

Printer “A” imprints paper for customer “X”. “X” supplies the paper. The letters are advertisements which will be mailed directly to “X’s” customers. This printing service does not qualify for the direct mail advertising exemption. Accordingly, “A” is required to collect sales tax on the total purchase price of the printing service.

The exemption relating to the purchase of direct mail advertising literature or materials and mail order catalogs is confined to transactions in which the printer provides both the printing service and the material to be imprinted. If the printer performs printing services upon paper, cardboard or other material furnished by the purchaser of the services or a third party, the charges are **subject to tax** even though the finished product qualifies as direct mail advertising literature or material or a mail order catalog.

Pennsylvania / Seller  
(continued)

1. **Sales Tax Exemption** – possible reasons (continued):

- e. **Periodicals**, if published at regular intervals not exceeding three months (at least 4 times per year) and which are circulated among the general public, containing matters of general interest and reports of current events published for the purpose of disseminating information of a public character or devoted to literature, the sciences, art or some special industry.

2. **Printer - Mail House Transactions: *Selected Scenarios***

Reminder: **Direct Mail printing is non-taxable.** (Refer to Section I: Pennsylvania, part I.A.1.d above).

<b>Mail House Selection</b>	<b>Mailer's Location</b>	<b>Taxable Status</b>
Printer is mailer or printer selects mailer	In State	Only pieces ultimately mailed to Pennsylvania addresses are taxable in Pennsylvania.
Printer is mailer or printer selects mailer	Out of State	Only pieces ultimately mailed to Pennsylvania addresses are taxable in Pennsylvania.
Customer selects mailer	In State	Only pieces ultimately mailed to Pennsylvania addresses are taxable in Pennsylvania.
Customer selects mailer	Out of State	Non-taxable to printer. Customer, if registered in PA, may be obligated for use taxes on pieces ultimately mailed to PA addresses.

[See "What If" Situations in Section IV].

### 3. Taxability of Other Services

The following services are stipulated as taxable or non-taxable in **Pennsylvania** even if separately stated on the invoice:

<b>Separately Invoiced Services</b>	<b>Taxable?</b>	<b>Notes</b>
Mailing of printed materials	Yes	Mailing is defined as a stand-alone service only if no printing is performed. Non-taxable if related to direct mail advertising.
Addressing and stamping	Yes	Non-taxable if related to direct mail advertising.
Personalization and providing of variable data for direct mail advertising	No	
Mail list maintenance	No	Non-taxable if no tangible personal property is delivered to the purchaser.
Website development, design, or hosting	No	Non-taxable if no tangible personal property is delivered to the purchaser.
Graphic design or banner advertising	No	Non-taxable if no tangible personal property is delivered to the purchaser.
Fulfillment of orders	Yes	
Delivery and postage	Yes	Non-taxable if related to direct mail advertising or other non-taxable sale (see below).

### 4. Delivery Costs

If the transaction is taxable, delivery costs are **taxable**, even if the following items are separately stated on the invoice:

- Shipping and handling
- Freight costs
- Postage

**Editor's Note** These charges are non-taxable, if the customer pays directly to, or is charged separately by, a third party.

**Postage:** If the customer pays for their own postage on a taxable sale, there is no tax on the postage (such as an indicia arrangement).

Pennsylvania / Seller  
(continued)

B. Computation of Tax:

1. **Sales Tax Rate in Pennsylvania is 6.0%.** An **additional 1% tax** applies on goods shipped into the **City/County of Philadelphia or Allegheny County.**
2. **The selling price upon which tax shall be computed** is based upon the inclusion or exclusion of the following:

<b>Items Included in Taxable Portion of Purchase Price:</b>	<b>Items Excluded from Taxable Portion of Purchase Price:</b>
Property or service	Deposit charges for Returnable Containers.
Delivery Costs, including shipping and handling, freight and postage	Discounts or rebates.
Restocking charges for returned merchandise	
Amounts representing reimbursed costs (manufacturer's excise tax, gross receipts tax, fuel adjustment charges, mercantile tax, insurance, meals, lodging, mileage or similar)	

Pennsylvania / Seller  
(continued)

B. Computation of Tax (continued):

3. **If a sale is cancelled or the customer receives a credit or refund**, the following regulations apply:

<b>If:</b>	<b>Action:</b>
Tax <u>has not</u> been remitted to Dept. and tax has been returned to purchaser or credited to purchaser's account	<b>Seller</b> shall deduct from the amount of gross and taxable sales for a reporting period, as sale or allowance, where in the same reporting period one of the following occurred: 1) Cancellation of contract of sale; 2) Property return; 3) Allowance for defective merchandise; 4) Exemption certificate is <u>presented by the purchaser to the seller</u> .
Tax <u>has</u> been remitted to the Dept. but tax <u>has not</u> been returned to the purchaser or credited to customer's account	<b>Purchaser</b> may file a claim for credit or refund with the Dept. for the tax within 2 years.
Tax <u>has</u> been remitted to the Dept. and tax <u>has</u> been returned to the purchaser or credited to customer's account	<b>Purchaser</b> may assign rights to the Seller for the tax remitted to the Dept. and the <b>Seller</b> may file for a refund or credit for the tax within 2 years. The <b>Seller</b> may deduct from the amount of gross and taxable sales for a reporting period, as sale or allowance, where in the same reporting period one of the following occurred: 1) Cancellation of contract of sale; 2) Property return; 3) Allowance for defective merchandise; 4) Exemption certificate is presented by the purchaser to the seller.

4. **Bad Debts** are not eligible for sales tax credits. Such tax remains due upon the original purchase price of the property sold.

C. Collection of Out-of-State Taxes (The Nexus Issue):

Nexus is established when a business has a physical presence within **Pennsylvania**, either through a physical building within the Commonwealth, property stored in **Pennsylvania**, or sales personnel soliciting sales in **Pennsylvania**.

1. **You are considered to have a "location"** or to be "actively engaged in business" in **Pennsylvania**, and thus liable for collecting **Pennsylvania** sales taxes, based on the following:

C. Collection of Out-of-State Taxes, part 1 (The Nexus Issue) (continued):

- a. **Maintaining a place of business in Pennsylvania**, including having, maintaining or using either directly or indirectly or through a subsidiary, representative or agent, an office, distribution house, sales house, warehouse, service enterprise or other place of business; or any agent of general or restricted authority or representative in **Pennsylvania**, regardless of whether the place of business, representative or agent is permanently or temporarily in **Pennsylvania**, or whether the person or subsidiary maintaining the place of business, representative or agent is authorized to do business in **Pennsylvania**.
- b. **Regularly or substantially soliciting orders in Pennsylvania**, regardless of whether orders are accepted within or outside **Pennsylvania**.
- c. **Delivery of printed materials into Pennsylvania** constitutes nexus and requires the out of state printer to register as a dealer in **Pennsylvania** and collect tax on goods shipped to **Pennsylvania** customers.

**Editor's Note** *Pennsylvania has no frequency of occurrence threshold to define "engaging in business": however, this provision is generally not enforced for "diminimus" activity (minor or infrequent occurrences).*

*The mere delivery of goods in another jurisdiction without any service being performed does not constitute engaging in business. To take this position, a company must not have a location in, or salespeople going into, that jurisdiction.*

**SAFE HARBOR:** *If there's even the slightest possibility that your activities might be interpreted as "engaged in business" or "maintaining a place of business" in a jurisdiction, the safest course of action is to register and collect tax. Given the continual possibility of governmental claims, this suggestion is a "safe position," not a consensus opinion in all cases.*

D. Internet Transactions:

1. **Access to the Internet:**

Computer services, including Internet access, are **exempt** from sales tax.

2. **Sale of goods purchased over the Internet** are treated the same as sales of tangible personal property and are subject to the rules of nexus and **Pennsylvania's** sales/use tax laws. Services are taxable if provided along with printed material, regardless of whether they are separately stated on the invoice.

3. **Sale of data, information or software downloaded from the Internet:**

The sale of all "canned" software, including updates, enhancements and upgrades, whether transmitted electronically or in a physical medium, is **taxable** as the sale of tangible personal property.

E. Statute of Limitations/Records Retention:

**Pennsylvania** has up to four (4) years (3 full calendar years plus the current year) to initiate proceedings for collection of unpaid sales and use taxes. If returns were not filed, or returns were willfully filed falsely or fraudulently, then assessments can be determined at any time.

Sales and use tax records must be maintained for four (4) years in **Pennsylvania** (3 years after the end of the calendar year to which the transactions relate).



## SECTION I: PENNSYLVANIA

### PART B: YOUR RESPONSIBILITY AS A **BUYER**

#### PENNSYLVANIA

#### I. YOUR RESPONSIBILITY AS A **BUYER**, IF YOU ARE LOCATED IN **PENNSYLVANIA**

##### A. Non-Taxable Items - Definitions:

Generally, materials purchased by a printer/manufacturer which are ***predominantly and directly*** used in the production process and/or **incorporated as components** into printed matter, are **non-taxable**.

***Predominantly and directly*** is defined as being used greater than 50% of the time in the manufacturing process.

*Printing* is defined as “the performance of an integrated series of operations, engaged in as a business which is *predominantly and directly* related to the production of multiple copies of substantially similar printed matter.”

“*Property* is *predominantly* used in printing when, over a 12 month period, multiple copies are produced for 50% or more of the time or the total copies of printed matter, divided by the number of orders for substantially similar items, exceeds 50 or more copies.”

The *printer/manufacturer tax exemptions* also apply to those businesses (whether extinct or not) related to the printing industry including: “trade binding, engraving, silk screening, typography including advertising typographers, plate making, color separating, stereotyping, electrotyping, gravure cylinder making, photographic processing, and the business of manufacturing page mechanicals, camera ready copy, image carriers, or related or component items for sale to printers for use in their printing operations.”

Pennsylvania / Buyer  
(continued)

A. Non-Taxable Items – Definitions (continued):

Examples of specific purchases that are **Non-taxable according to Pennsylvania:**

<b>Non-Taxable Items in PA</b>	<b>Notes</b>
Mixed Use Items, such as utilities and equipment	Non-taxable if its predominant use in manufacturing is <u>greater than 50% of the time</u> .
High Speed Copy Machines used for commercial use	Non-taxable if predominantly used to make 50 or more copies of an item.
Printing equipment, parts and supplies	Also includes computers, accessories, parts and supplies if used greater than 50% of the time in the manufacturing process
Repairs and maintenance	For manufacturing equipment only
Wiping towels	Non-taxable if used to prepare plates for the production process; but <i>taxable as maintenance supplies</i> if used to maintain the plates prior to or after the printing operation.
Protective equipment for employee use	Face masks, gloves, coveralls, goggles, etc.
Direct lighting fixtures	Non-taxable if attached to, or necessary to run, exempt machinery and equipment

**Editor's Note** ***Proofing materials and related equipment:** As of the writing of this document, there is uncertainty and ambiguity regarding their taxability, which we believe are **predominantly and directly** used in the manufacturing process, as well as integral in the testing and inspection of printed products throughout the production cycle.*

For all **non-taxable purchases**, a printer must provide its vendors with a valid, properly executed **REV-1220 Exemption Certificate**.

Pennsylvania / Buyer  
(continued)

B. Taxable Items:

Examples of specific purchases that are **Taxable according to Pennsylvania:**

<b>Taxable Items in PA</b>	<b>Notes</b>
Mixed-use items, such as utilities and equipment	Taxable if predominant use is 50% or less in manufacturing.
Safety programs	Equipment and supplies used for safety and accident prevention programs.
Items used for warehousing and storage of printed products	Purchase of property used to store printed/manufactured products, including materials handling equipment.
Wiping towels	Taxable as maintenance supplies if used to maintain the plates prior to or after the printing operation; <i>Non-taxable if used to prepare plates for the production process.</i>

C. Use Tax:

In the event that you purchase taxable items and are not charged sales tax, you are still obligated for paying use tax. This may occur when purchases are made from out-of-state vendors. **The use tax should be determined and paid with the filing of your next sales and use tax return.**

**Editor's Note**

**No reporting of use tax is an audit red flag.**

D. Statute of Limitations/Records Retention:

**Pennsylvania** has up to four (4) years (3 full calendar years plus the current year) to initiate proceedings for collection of unpaid sales and use taxes. If returns were not filed, or returns were willfully filed falsely or fraudulently, then assessments can be determined at any time.

Sales and use tax records must be maintained for four (4) years in **Pennsylvania** (3 years after the end of the calendar year to which the transactions relate).

## **SECTION I: PENNSYLVANIA**

### **PART C: SSUTA – Multistate STREAMLINED SALES AND USE TAX AGREEMENT**

**Pennsylvania** is currently **NOT** a member, although it continues to monitor the project.

[See “What Is the Streamlined Sales and Use Tax Project?” and the map of participating states in Section V, SSUTA, Streamlined Sales & Use Tax Agreement].

## **SECTION II: NEW JERSEY**

## SECTION II: NEW JERSEY

### PART A: YOUR RESPONSIBILITY AS A SELLER

#### NEW JERSEY

#### II. YOUR RESPONSIBILITY AS A SELLER, IF YOU ARE LOCATED IN **NEW JERSEY**

**NOTE:** A sales tax obligation exists when and where title passes. Title passes at destination: where goods are dropped-off, picked-up, or the mailing address of the recipient. (If mailed, the location of the post office is irrelevant).

##### A. Charging of Tax:

Sales tax is to be charged on every job, unless a valid, properly executed New Jersey exemption certificate or Direct Pay Permit is provided by the customer. The Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST) may also be provided by the customer for use in multijurisdictional transactions.

##### 1. **Sales Tax Exemption** – possible reasons:

##### a. **Resale**, such as by a publisher or ad agency

**Resale Certificate Form ST-3 or Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is required to be provided by the customer.

1. **Sales Tax Exemption** – possible reasons / **Part a. Resale** (continued):

**Printing and publishing services** purchased by customers for use out of state are not subject to **New Jersey** sales or use tax if the finished product is delivered out of state by the seller. If the finished product is picked up in **New Jersey**, the sale is subject to **New Jersey** sales tax. **Exempt Use Certificate Form ST-4** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is required to be provided by the customer. (See item “d” below for rules on “direct mail” printing).

**Resale Certificate for Non-New Jersey Vendors, Form ST-3NR** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is required to be provided by **qualified** out-of-state customers if goods are picked up in **New Jersey** by the customer, in customer’s vehicle or by customer’s messenger. **Form ST-3NR** requires the person picking up the merchandise to provide acceptable identification (i.e., driver’s license of any state in the US, major credit card including photo, or any identification card which includes a number, photo and address).

**b. Charitable or Not-for-Profit Organization**

Applies to entities that have obtained tax immunity authorization from the Division of Taxation by the filing of **Form ST-5B**. Sales tax exemption may be claimed for any purchases made by the organization that are paid for with organizational funds.

**Exempt Organization Certificate Form ST-5** is required to be provided by the customer.

**c. Government Agencies**

Applies to Federal, State of **New Jersey** and their instrumentalities, or local government entities, and the United Nations or any international organization of which the United States is a member.

1. **Sales Tax Exemption** – possible reasons / **Part c. Government Agencies** (continued):

Acceptable proof for exemption is a copy of a government purchase order or official contract on official government letterhead, and payment by government check or USA SmartPay Visa or Mastercard, not a card charged to an employee who gets reimbursed by the Federal government.

For government cash purchases of \$150 or less, **Exempt Use Certificate Form ST-4** is required to be provided and signed by a qualified government official.

Exemption also applies to certain purchases by foreign diplomatic and consular personnel residing in the US. Sales tax exemption cards are issued by the US Department of State, Office of Foreign Missions, and are for the sole benefit of the mission or individual identified on the card.

**d. Direct mail advertising materials**

**Applies to direct mail material and related processing services delivered to out-of-state addresses.**

*“Direct mail” is defined as printed material delivered or distributed by US mail or other delivery service to a mass audience or to addressees on a mailing list provided by the purchaser or at the direction of the purchaser when the cost of the items is not billed directly to the recipients. “Direct mail” includes tangible personal property supplied directly or indirectly by the purchaser to the direct mail seller for inclusion in the package containing the printed material. For example, if product samples are included with the printed material, it still is treated as direct mail. “Direct mail” does not include multiple items of printed material delivered to a single address (for example, a shipment of flyers in bulk to the purchaser).*

*“Processing services” are described as mailing, addressing and stamping, separating, folding, inserting, sorting, personalization, mail list maintenance, fulfillment, packaging and transporting to the point of shipment.*



1. **Sales Tax Exemption** – possible reasons / **Part d. Direct mail advertising materials** (continued):

The customer should provide a direct mail form OR information to show the states in which the direct mail is to be delivered to recipients. Acceptable direct mail forms are the **New Jersey Exempt Use Certificate Form ST-4** or the **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)**.

If the purchaser provides a direct mail form, the seller shall be relieved of all obligations to collect, pay or remit the applicable tax and the purchaser shall be obligated to pay or remit the applicable tax on a direct pay basis. A direct mail form shall remain in effect for all future sales of direct mail by the seller to the purchaser until it is revoked in writing.

If the purchaser provides information showing the states to which the direct mail is to be delivered to recipients, the seller shall collect the tax according to the delivery information provided by the purchaser. In the absence of bad faith, the seller shall be relieved of any further obligation to collect tax on any transaction for which the seller has collected tax pursuant to the delivery information provided by the purchaser. The purchaser may use **Form ST-4** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** in order to document the allocation for out-of-state delivery.

If the purchaser of direct mail does not have a direct pay permit and does not provide the seller with either a direct mail form or delivery information, the seller is required to collect sales tax on the entire amount.

The exemption for shipments out-of-state still applies even if first shipped into **New Jersey** and stored for subsequent delivery.

**Editor's Note** *The prorated cost of printed materials and related processing services which are mailed to **New Jersey** addresses (in state locations) **are subject to New Jersey sales tax.***

1. **Sales Tax Exemption** – possible reasons (continued):

**e. Newspapers, Magazines and Periodicals**

Applies to newspapers and magazines sold by subscription, and membership periodicals distributed by nonprofit organizations, whether or not accessed electronically. **Resale Certificate Form ST-3** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is required to be provided by the customer.

Advertising to be published in a newspaper is also exempt. **Exempt Use Certificate Form ST-4** or **Streamlined Sales and Use Tax Certificate of Exemption (Form ST-SST)** is required to be provided by the customer.

2. **Printer - Mail House Transactions:** *Selected Scenarios*

<b>Mail House Selection</b>	<b>Mailer's Location</b>	<b>Taxable Status</b>
Printer is mailer or printer selects mailer	In State	Only pieces ultimately mailed to NJ addresses are taxable in NJ.
Printer is mailer or printer selects mailer	Out of State	Only pieces ultimately mailed to NJ addresses are taxable in NJ.
Customer selects mailer	In State	Only pieces ultimately mailed to NJ addresses are taxable in NJ.
Customer selects mailer	Out of State	Non-taxable to printer. Customer, if registered in NJ, may be obligated for use tax on pieces ultimately mailed to NJ addresses.

[See "What If" Situations in Section IV].

### 3. Taxability of Other Services:

The following services are stipulated as taxable or non-taxable in **New Jersey even if separately stated on the invoice:**

Separately Invoiced Services	Taxable?	Notes
Mailing of printed materials	no	
Addressing and stamping	no	
Personalization and providing of variable data for direct mail advertising	no	
Sale of mailing lists	yes	Whether delivered in hard copy, as labels, or electronically; Non-taxable if related to exempt direct mail.
Mail list maintenance	no	
Web site development, design, or hosting	no	
Graphic design or banner advertising	no	,
Fulfillment of orders	yes	Non-taxable if exempt direct mail.
Delivery costs and postage	yes	Non-taxable if sale is non-taxable (see below).

### 4. Delivery Costs:

Delivery costs are **taxable**. The following charges are associated with the **taxable portion** of sales of printed materials, in accordance with the Multistate Streamlined Sales and Use Tax rules, even if these items are separately stated on the invoice:

- All costs of transportation
- Shipping, handling
- Postage

**Editor's Note** These charges are non-taxable, if the customer pays directly to, or is charged separately by, a third party.

**Postage:** If the customer pays for their own postage on a taxable sale, there is no tax on the postage (such as an indicia arrangement).

New Jersey / Seller  
(continued)

B. Computation of Tax (what portion of your invoice is taxable):

1. **Sales Tax rate in New Jersey is 7%.**
2. **The selling price upon which tax shall be computed** is based upon the following items included or excluded from the taxable portion:

<b>Items Included in Taxable Portion of Purchase Price:</b>	<b>Items Excluded from Taxable Portion:</b>
Cost of property or service	Taxes imposed by the State.
All costs of transportation: Delivery Costs Shipping and Handling Postage	Discounts.
Labor and installation charges	Tangible personal property traded-in or exchanged.
Storage charges and fulfillment services	Finance charges to the purchaser.

3. **If a sale is cancelled or the customer receives a credit or refund**, the following regulations apply:

<b>If:</b>	<b>Action:</b>
<b>Tax <u>has Not</u> been remitted to the State and tax has been returned to purchaser</b> or credited to purchaser's account	<b>Seller</b> may deduct as a credit on next filed reporting Form ST-50 or 51, or apply for a refund on Form A-3730.
<b>Tax <u>has</u> been remitted to the State but tax <u>has not</u> been returned to the purchaser</b> or credited to his account	<b>Seller</b> may deduct as a credit on next filed reporting Form ST-50 or 51, or apply for a refund on Form A-3730.
<b>Tax <u>has</u> been remitted to the State and tax <u>has</u> been returned to the purchaser</b> or credited to his account	<b>Seller</b> may deduct as a credit on next filed reporting Form ST-50 or 51, or seller or purchaser may apply for a refund on Form A-3730.

4. **Bad Debts:** A deduction is allowable from taxable sales and reported on the return when the debt is determined to be uncollectible. If the bad debt amount exceeds the taxable sales, a refund claim may be filed within four (4) years from the due date of the return on which the bad debt could first be claimed.

C. Collection of Out-of-State Taxes (The Nexus Issue):

Nexus is established when a business has a physical presence within **New Jersey**.

1. **You are considered to have a "location"** or to be "actively engaged in business" **in New Jersey**, and thus liable for collecting **New Jersey** sales taxes, based on the following:
  - a. **Maintaining a place of business in New Jersey** (such as retaining employees, owning inventory or owning or leasing real property) and making sales to persons within **New Jersey** of taxable tangible property, digital property, or services.
  - b. **Regularly or substantially soliciting orders in New Jersey**, regardless of whether orders are accepted within or outside **New Jersey**. Persons who solicit business are defined as employees, independent contractors, agents or other representatives.
  - c. **Distribution of catalogues or other advertising matter within New Jersey**, especially when a vendor uses its own trucks to make deliveries into **New Jersey**.

2. **New Jersey/New York Combined State Sales & Use Taxes:**

*File **Form DTF-24, Application for New Jersey/New York State Simplified Sales and Use Tax Reporting**, to become a registered vendor in either state. **Form ST-20/21** will then be sent to you for remitting sales and use taxes on interstate transactions.*

**Editor's Note** ***New Jersey** has no frequency of occurrence threshold to define "engaging in business": however, this provision is generally not enforced for "diminimus" activity (minor or infrequent occurrences).*

*The mere delivery of goods in another jurisdiction without any service being performed does not constitute engaging in business. To take this position, a company must not have a location in, or salespeople going into, that jurisdiction.*

C. Collection of Out-of-State Taxes (The Nexus Issue, continued):

**SAFE HARBOR:** *If there's even the slightest possibility that your activities might be interpreted as "engaged in business" or "maintaining a place of business" in a jurisdiction, the safest course of action is to register and collect tax. Given the continual possibility of governmental claims, this suggestion is a "safe position," not a consensus opinion in all cases.*

D. Internet Transactions:

1. **Access to the Internet:**

Computer services, including Internet access, are **exempt** from state sales tax.

2. **Sale of goods purchased over the Internet** are treated the same as sales of tangible personal property through more traditional channels and, therefore, subject to the rules of nexus and **New Jersey's** sales/use tax laws.

3. **Sale of digital property, information or software downloaded from the Internet** is **taxable** and defined as electronically delivered medium such as books, mailing lists, and audio and video works and similar products, where the customer is granted a right or license to use, retain, or make a copy of such item. The sale of "canned" software, though, is **exempt**.

E. Statute of Limitations/Records Retention:

To proceed against a vendor for assessment of additional tax, the state has up to four (4) years in **New Jersey**. If a false or fraudulent return is filed with intent to evade tax, or if no return was filed, a tax assessment may be made at any time.

Sales and use tax records must be maintained for four (4) years in **New Jersey**.

## SECTION II: NEW JERSEY

### PART B: YOUR RESPONSIBILITY AS A **BUYER**

#### II. YOUR RESPONSIBILITY AS A **BUYER**, IF YOU ARE LOCATED IN **NEW JERSEY**

##### A. Non-Taxable Items:

Generally, materials purchased by a printer/manufacturer for use or consumption ***directly and primarily*** in the production process, are **non-taxable**.

(The manufacturing exemption is claimed by issuing **Exempt Use Certificate Form ST-4** and noting "8.29" as the statutory basis for exemption).

Specific purchases that are **Non-taxable according to New Jersey**:

<b>Non-Taxable Items in NJ</b>	<b>Notes</b>
Mixed Use Items	Machinery must be used <b>more than 50%</b> of the time to be considered <i>directly and primarily</i> used in production.
Component parts of the end product	
Printing equipment and related supplies	Also Includes high speed copiers used directly and primarily in production.
Protective equipment worn on the body	Necessary for work only, not suitable for general use, including safety shoes, uniforms, ear and hearing protectors, safety glasses, goggles, and belts.
"Printing and publishing production machinery, apparatus, or equipment used directly and primarily in publishing newspapers, and by a commercial printer in the production of tangible property for sale". <i>Editor's Note This would include computers.</i>	"Commercial printers include those businesses engaged in periodical, book, manifold business form, greeting card, or miscellaneous publishing and typesetting; photoengraving; electrotyping and stereotyping; and lithographic platemaking, including engraving, enlarging and development equipment, internal process cameras and news and other similar transmission equipment, composing and pressroom apparatus and equipment, binding apparatus and equipment, type fonts, lead, mats, ink, plates, conveyors, stackers, sorting, bundling, stuffing, labeling, and wrapping equipment and supplies for any of the foregoing".
Canned software downloaded from the Internet	

New Jersey / Buyer  
(continued)

A. Non-Taxable Items / Specific Purchases (continued):

Specific examples of <b>exempt supplies</b> include:	Acids Alcohol used a fountain solution Blanket wash Boxes Carbon tissue Cartons Color filters Color separations Custom dies and die cutting materials Dampener sleeves Dampening solution Developer chemicals Engravings Film used to photograph printing copy Ink Labels Latex gum Lettering Masking paper Offset plates Opaqueing ink Paper Plates Press blankets Press chemicals (etch) Press chemicals (press wash) Printing plates (all types) Proof paper Proofs and proof processing (all types) Protective gloves Reducers Roller covering Screen tints Shrink wrap Thermopowder Tissue overlays Toners Transparencies Varnishes Veloxes Wood mounts Wrapping paper Wrapping tape
---------------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



New Jersey / Buyer  
(continued)

B. Taxable Items:

Examples of specific purchases that are **Taxable according to New Jersey:**

<b>Taxable Items in NJ</b>	<b>Notes</b>
Items used for warehousing and storage of printed products	Shelving, racks, etc.
Repairs and maintenance service, installation or maintenance contracts	On manufacturing and non-manufacturing equipment.
Specific examples of taxable purchases include:	Stripping knives used to trim negatives or masking paper, filing envelopes used to file negatives, and tape dispensers for wrapping tape.

C. Use Tax:

In the event that you purchase taxable items and are not charged sales tax, you are still obligated for paying use tax. This may occur when supplies are purchased in another state, or via the internet, and then brought into **New Jersey**. If the tax paid on an out-of-state purchase was less than **New Jersey's** 7% sales tax and the other state has sales tax reciprocity with **New Jersey**, the difference must be remitted as use tax. **The use tax should be determined and paid with the filing of your next sales and use tax return.**

**Editor's Note**

**No reporting of use tax is an audit red flag.**

*File **Form DTF-24, Application for New Jersey/New York State Simplified Sales and Use Tax Reporting**, to become a registered vendor in either state. **Form ST-20/21** will then be sent to you for remitting sales and use taxes on interstate transactions.*

D. Statute of Limitations/Records Retention:

The state of **New Jersey** has up to four (4) years to initiate proceedings for collection of unpaid use taxes; but, if a false or fraudulent return is filed with intent to evade tax, or if no return was filed, a tax assessment may be made at any time.

Sales and use tax records must be maintained for four (4) years in **New Jersey**.

## **SECTION II: NEW JERSEY**

### **PART C: SSUTA – Multistate STREAMLINED SALES AND USE TAX AGREEMENT**

**New Jersey IS a member**, effective October 1, 2005.

[See “What Is the Streamlined Sales and Use Tax Project?” and the map of participating states in Section V, SSUTA, Streamlined Sales & Use Tax Agreement].

### **SECTION III: NEW YORK**

## SECTION III: NEW YORK

### PART A: YOUR RESPONSIBILITY AS A **SELLER**

#### NEW YORK

#### III. YOUR RESPONSIBILITY AS A **SELLER**, IF YOU ARE LOCATED IN **NEW YORK**

**NOTE:** A sales tax obligation exists when and where title passes. Title passes at destination: where goods are dropped-off, picked-up, or the mailing address of the recipient. (If mailed, the location of the post office is irrelevant).

##### A. Charging of Tax:

**Sales tax is to be charged on every job, unless a valid, properly executed New York Resale Certificate (Form ST-120) or Direct Payment Permit is provided by the customer.**

##### 1. **Sales Tax Exemption** – possible reasons:

- a. **Resale**, such as by a publisher of newspapers and periodicals. (Periodicals are defined as being published at least four (4) times per year, among other general criteria).

**Resale Certificate Form ST-120** is required to be provided by the customer.

##### b. **Charitable or Not-for-Profit Organization**

Applies to organizations that have received **exempt** status (under section 1116) and are the direct purchaser and payer of record.

**Exempt Organization Exempt Purchase Certificate (Form ST-119.1)** is required to be provided by the customer.

1. **Sales Tax Exemption** – possible reasons (continued):

**c. Government Agencies:**

Applies to **Federal Government entities** and **New York State and local entities** when the governmental entity is the purchaser, user or consumer. A governmental purchase order is required to be provided.

Also applies to:

- The United Nations or any international organization of which the United States is a member
- An armed forces post or organization organized in **New York State**
- Diplomatic missions and personnel
- Certain Indian nations or tribes residing in **New York State**

**d. Out-of-State Deliveries**

Applies to all printed materials delivered outside of **New York State** for use outside **New York State**.

This provision specifically exempts “promotional materials” delivered in or outside **New York State**, services related to mailing lists for promotional materials, and storage of promotional materials (see III.A.1.e).

**e. Printed Promotional Materials**

Applies to materials ultimately mailed or shipped by common carrier or delivery service to end users of the customers, or their potential customers, for use in or outside New York State.

1. **Sales Tax Exemption** – possible reasons: / **Part e. Printed Promotional Materials** (continued):

***Definition of Printed Promotional Materials:***

*Promotional materials* include any advertising literature such as catalogs and brochures, and related tangible personal property (for example, annual reports, prospectuses, complimentary maps, other free gifts, applications, and order forms), and the envelopes used exclusively to deliver the promotional materials (including direct materials and outside costs necessary to produce exempt promotional materials). Account statements, invoices, or the envelopes used to deliver them are not promotional materials.

**Sales Tax Exemption** also applies to:

- Mailing list services related to the distribution of promotional materials, such as addressing, labeling, inserting, mailing and related materials such as envelopes, labels and mailing lists.
- Charges for storage of printed promotional materials

The exemption does not apply and the following promotional materials are **taxable**:

- Printed promotional materials delivered in **New York State** by a means other than common carrier or delivery service.
- Free gifts, product samples, and other non-printed promotional materials delivered in **New York State**.

***Editor's Note*** *Deliveries to a customer location or retail store for customer's use or give away are **taxable**. The printer's customer must not charge the ultimate recipient for the printed materials or for the related mailing or shipping costs.*

*If delivery is by company vehicle, or if picked up by the customer, then the transaction is **taxable**.*

*If the materials are ultimately delivered out of state by common carrier or delivery service, and the customer provides the printer with appropriate documentation, then the transaction is **exempt**.*

1. **Sales Tax Exemption** – possible reasons: / **Part e. Printed Promotional Materials** (continued):

**Exemption Certificate for Purchases of Promotional Materials (Form ST-121.2)** is required to be provided by the customer.

2. **Printer-Mail House Transactions: *Selected Scenarios***

<b>Mail House Selection</b>	<b>Mailer's Location</b>	<b>Taxable Status **</b>
Printer is mailer or printer selects mailer	In State	Only pieces ultimately mailed to New York addresses are taxable in NY.
Printer is mailer or printer selects mailer	Out of State	Only pieces ultimately mailed to New York addresses are taxable in NY.
Customer selects mailer	In State	Fully taxable in NY.
Customer selects mailer	Out of State	Non-taxable to printer. Customer, if registered in NY, may be obligated for use tax on pieces ultimately mailed to NY addresses.

[See “What If” Situations in Section IV].

\*\*These transactions may be **exempt** if they qualify as printed promotional materials, as defined as follows:

“Any **printed** promotional materials delivered by a common carrier, the US Postal Service, or a similar delivery service to a mailing address **within New York State**, are exempt from **New York State** sales and use taxes when a purchaser (directly or through a printer-mailer) delivers these materials to a customer or prospective customer **at no charge to the customer**”.

Alternative Model:

If mailing records are not adequate to show all mailing addresses in **New York State**, a sampling technique may be used, provided 10% of the list, or 5000, whichever is less, is sampled.

[See Appendix: Publication 831 for more information and examples].

### 3. Taxability of Other Services:

The following services are stipulated as taxable or non-taxable in **New York** even if the items are separately stated on the invoice:

<b>Separately Stated Services</b>	<b>Taxable?</b>	<b>Notes</b>
Mailing of printed materials	no	
Addressing and stamping	no	
Personalization and providing of variable data for direct mail advertising	yes	Unless qualifies as promotional materials.
Sale of mailing lists	yes	Unless qualifies as promotional materials.
Mail list maintenance	yes	Unless qualifies as promotional materials.
Web site development, design, or hosting	no	
Graphic design or banner advertising	no	Taxable if delivered in tangible form (such as a CD).
Fulfillment of orders	yes	
Printing of political campaign literature	yes	Taxable (by case law) since the end users are not considered purchasers or potential purchasers of the customer's products or services.
Transportation, delivery costs, postage	yes	Taxable only if sale is taxable (see below).

### 4. Delivery Costs:

Even if items are separately stated on the invoice, the following charges are **taxable**, as long as the transaction is taxable:

- Shipping and handling:
- Freight costs
- Postage

**Editor's Note** These charges are **non-taxable** if customer pays directly to, or is charged separately by, a third-party.

**Postage:** If the customer pays for their own postage on a taxable sale, there is no tax on the postage (such as an indicia arrangement).



B. Computation of Tax (what portion of your invoice is taxable):

1. **Sales Tax rate in New York State is 4%. The New York City rate is 4% plus a .375% transportation tax. Therefore the combined rate in New York City is 8.375%.**

Other counties and local jurisdictions impose separate sales tax rates.

[See Appendix for **New York State Sales and Use Tax Rates by Jurisdiction, Publication 718**].

2. **The selling price upon which tax shall be computed** is based upon the following items included or excluded from the taxable portion:

<b>Items Included in Taxable Portion of Purchase Price:</b>	<b>Items Excluded from Taxable Portion:</b>
Property or service.	Items delivered out-of-state for use out-of-state.
Labor and installation services.	Discounts.
Restocking charges (for returned merchandise.	Tangible personal property traded-in or exchanged.
Shipping, delivery and transportation charges including postage.	Shipping, delivery and transportation charges, including postage, are non-taxable, if for mailing or delivery of printed promotional materials (by USPS or delivery service, not company vehicle).
Storage charges, unless for printed promotional materials.	Finance charges to the purchaser.

B. Computation of Tax (continued):

3. **If a sale is cancelled or the customer receives a credit or refund**, the following regulations apply:

<b>If:</b>	<b>Action:</b>
Tax <u>has not</u> been remitted to Dept. and tax has been returned to purchaser or credited to purchaser's account.	<b>Seller</b> shall take a credit on the next filed sales tax return, if within three (3) years of the date the tax was payable.
Tax <u>has</u> been remitted to the Dept. but tax <u>has not</u> been returned to the purchaser or credited to their account.	<b>Purchaser</b> may file a claim for credit or refund within the later of three (3) years from date of filing the return, or two (2) years from the date of payment.
Tax <u>has</u> been remitted to the Dept. and tax <u>has</u> been returned to the purchaser or credited to their account.	<b>Seller</b> may file a claim for credit or refund within the later of three (3) years from date of filing the return, or two (2) years from the date of payment.

4. **Bad Debts:** A refund or credit is allowed for tax paid on uncollectible accounts.

C. Collection of Out-of-State Taxes (The Nexus Issue):

Nexus is established when a business has a physical presence within **New York**.

1. **You are considered to have a "location"** or to be "actively engaged in business" in **New York**, and thus liable for collecting **New York** sales taxes, based on the following:
  - a. **Maintaining a place of business in New York** (store, salesroom, sample room, showroom, distribution center, warehouse, service center, factory, credit and collection office, administration office or research facility).
  - b. **Own or rent real or personal property in the state.**
  - c. **Regularly or systematically soliciting orders in New York**, through salespeople, employees, independent contractors, or agents present within the state.

C. Collection of Out-of-State Taxes (The Nexus Issue) (continued):

- d. **Delivery of printed materials into New York** using a company vehicle more than 12 times a year.
- e. **Regularly and systematically distributing**, by mail or otherwise, advertising flyers or letters, including advertisements and telecommunications when receipts from the sales delivered into the state exceed \$300,000 and the number of sales exceeds 100.

2. **New York/ New Jersey Combined State Sales and Use Taxes:**

For New York vendors who have no business location in **New Jersey**, but who make taxable sales that are delivered in **New Jersey**.

*File **Form DTF-24, Application for New York/New Jersey State Simplified Sales and Use Tax Reporting**, to become a registered vendor in either state. **Form ST-20/21** will then be sent to you for remitting sales and use taxes on interstate transactions.*

3. **New York/Connecticut Combined State Sales and Use Taxes:**

For **New York** vendors who have no business location in **Connecticut**, but who make taxable sales that are delivered in **Connecticut**.

[For registration information, obtain Connecticut publication 904.]

**Editor's Note** *The mere delivery of goods in another jurisdiction without any service being performed does not constitute engaging in business. To take this position, a company must not have a location in, or salespeople going into, that jurisdiction.*

**SAFE HARBOR:** *If there's even the slightest possibility that your activities might be interpreted as "engaged in business" or "maintaining a place of business" in a jurisdiction, the safest course of action is to register and collect tax. Given the continual possibility of governmental claims, this suggestion is a "safe position," not a consensus opinion in all cases.*

D. Internet Transactions:

1. **Access to the Internet:**

Computer services, including Internet access, are **exempt** from state sales tax.

2. **Sale of goods purchased over the Internet** are treated the same as sales of tangible personal property

3. **Sale of data, information or software downloaded from the Internet:**

The sale of all “canned” software is taxable. Music, artwork and computer graphics are **exempt**.

E. Statute of Limitations/Records Retention:

To proceed against a vendor for assessment of additional tax, the state has up to three (3) years in **New York**. If a willfully false or fraudulent return was filed with intent to evade tax, or if no return was filed, a tax assessment may be made at anytime.

Sales and use tax records must be maintained for a minimum of three (3) years from the due date of the return to which they relate, or the date the return is filed, if later.

## SECTION III: NEW YORK

### PART B: YOUR RESPONSIBILITY AS A BUYER

#### NEW YORK

#### III. YOUR RESPONSIBILITY AS A **BUYER**, IF YOU ARE LOCATED IN **NEW YORK**

##### A. Non-Taxable Items - Definitions:

Generally, materials purchased by a printer/manufacturer which are used ***directly and predominantly*** in the production process and/or **incorporated as components** of the final product, are **non-taxable**.

*Directly and predominantly* is defined as more than 50% of the time.

The production process begins when raw materials are received, and ends when the product is completed, packaged and ready for shipment or storage. Costs to transport the completed product from production for shipment or storage are **taxable**.

New York / Buyer  
(continued)

A. Non-Taxable Items - Definitions (continued):

Specific purchases that are **Non-taxable according to New York:**

<b>Non-Taxable Items in NY</b>	<b>Notes</b>
Mixed-use items: Predominant manufacturing use vs. admin use.	Predominant use is defined as <i>more than 50%</i> of the time.
High speed Copy Machines used for manufacturing.	
Production equipment, parts, tools and supplies.	
Installation, maintenance and repair services.	Non-taxable if performed on exempt production equipment, parts, tools and supplies, though subject to local sales and use taxes if incurred outside of New York City. Non-taxable items include plumbing and electrical components, industrial wipes.
Production equipment rigging, erecting, connecting, dismantling, relocating .	
Activities of receiving, unloading and storage of raw materials.	Taxable, though, if raw materials are weighed, inspected, measured, tested or inventoried <i>before</i> placed in storage. The mere verifying of shipping counts <u>does not make these activities taxable</u> .
Utility costs.	Non-taxable if used <i>directly and exclusively</i> in the production process .Printer to provide vendor with exemption forms ST-121, FT-1012 or FT-1020. If mixed use, an allocation must be made to determine non-taxable portion. [See Appendix for formula examples].
Items used in Research and Development activities.	Equipment and utilities, etc.
Waste treatment equipment and filters.	Non-taxable if over 50% of waste (such as particulate dust and gases) result from production processes.
Labels and tags.	Non-taxable if used in packaging, shipping, mailing. Taxable if not permanently attached to product and not useful to customer/consumer after sale.
Pallitizer Systems.	Non-taxable if used <i>directly and predominantly</i> as part of production line. Taxable if predominant use is for storage then distribution of finished products.
Quality Control equipment and supplies.	Non-taxable if used <i>directly and predominantly</i> during the production process. Taxable if predominant use is to test the manufactured product after it is finished and ready for sale, or to test raw materials before they are stored.

New York / Buyer  
(continued)

A. Non-Taxable Items - Definitions / Specific purchases that are **Non-taxable according to New York** (continued):

Safety apparel and supplies	Uniforms, safety shoes, gloves, eye shields, etc. that are indispensable for production and furnished to employees. If items are sold to employees, tax must be collected from employees.
Cartons, containers, and other packaging materials (see examples below**)	

\*\*Examples of exempt cartons, containers, and other packaging materials:

Bags	Glue
Barrels	Gummed labels
Binding	Gummed tape
Bottles (including deposit bottles)	Kegs
Boxes	Lumber used for blocking
Cans	Pallets
Carboys	Reels
Cartons	Sacks
Cellophane	Spools
Coatings and other preservative material	Staples
Cores	Strapping
Crates	String
Cylinders	Tape
Drums	Twine
Excelsior	Wrapping paper

These materials must be transferred with the product to the customer and must become the property of customer to be **non-taxable**. Common **taxable** items are returnable cartons and pallets, and racking.

If these materials are not transferred to the customer, then they are **taxable** regardless of the taxability of the items being packaged, or if ultimately shipped outside of **New York**.

New York / Buyer  
(continued)

A. Non-Taxable Items - Definitions / Specific purchases that are **Non-taxable according to New York** (continued):

**For all non-taxable purchases**, a printer must provide its vendors with a **Resale Certificate Form ST-120** (for raw materials, etc), **Exempt Use Certificate Form ST-121** (for equipment, consumable items, utilities, packaging materials, safety equipment, etc) or **Exempt Pay Permit Form AU-297**.

B. Taxable Items:

Examples of specific purchases that are **Taxable according to New York**:

<b>Taxable Items in NY</b>	<b>Notes</b>
Utility costs not used directly and exclusively in production.	To provide vendor an Exempt use Certificate Form ST-121, FT-1012, FT-1020 or Form FT-500 if requesting refund or credit. [See appendix for allocation formula examples]..
Items used in activities before and after the production process.	Pertains to equipment, fuel, utilities. After production activities include storage/warehousing, loading or delivery of finished goods.
Items that are incidental or ancillary to the production process.	Purchasing, transporting and testing raw materials; office and collections; clerical work related to production, such as production and time records; general maintenance and janitorial services (to maintain production premises); hand cleaner and aprons.
Motor fuel (gasoline and liquefied petroleum gas) and diesel motor fuel.	If used <i>directly and exclusively</i> in the production process, refund may be claimed from State and local sales tax by filing Form FT-500 (Application for Refund of Sales Tax Paid on Automotive Fuels).
Tools used in general maintenance and repair of production equipment.	Non-taxable if used directly and predominantly in the production process.
Racking, returnable cartons and pallets.	
Storage charges.	Exempt if for non-taxable promotional materials.

[See Appendix for charts detailing **items exempt or taxable by a manufacturer in New York State, Publication 852**].



C. Use Tax:

In the event that you purchase taxable items and are not charged sales tax, you are still obligated for paying use tax. This may occur when supplies are purchased in another state, or via the internet, and then brought into **New York**. Use tax is also due on the cost of materials used to manufacture your own equipment not used directly and predominantly in the production process. **The use tax should be determined and paid with the filing of your next sales and use tax return.**

<b><i>Editor's Note</i></b>
-----------------------------

**No reporting of use tax is an audit red flag.**

D. Statute of Limitations/Records Retention:

To proceed against a vendor for assessment of additional tax, the state has up to three (3) years in **New York**. If a willfully false or fraudulent return was filed with intent to evade tax, or if no return was filed, a tax assessment may be made at anytime.

Sales and use tax records must be maintained for a minimum of three (3) years from the due date of the return to which they relate, or the date the return is filed, if later.

## **SECTION II: NEW YORK**

### **PART C: SSUTA – Multistate STREAMLINED SALES AND USE TAX AGREEMENT**

**New York State** is currently **NOT** a member.

[See “What Is the Streamlined Sales and Use Tax Project?” and the map of participating states in Section V, SSUTA, Streamlined Sales & Use Tax Agreement].

## **SECTION IV**

### **EXAMPLES...WHAT IF SITUATIONS**

## What If Situations

### EXAMPLE 1

**What if:**           **SALE IS TAXABLE  
PRINTER DELIVERY  
(PRINTER REGISTERED IN SINGLE STATE)**

**Printer in:**       State A/Registered in State A (only)

**Customer in:**   State B

**Mail house in:** N/A

**Job:**             Print 2,000 Brochures

**Deliver to:**     Customer in State B

**Via:**             Company truck

**Price (\*):**       \$10,000

**Tax in:**           State A   State B

**Taxable amt:**     \$0           N/A

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

#### NOTES:

- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS information).

**What If Situations  
(continued)**

**EXAMPLE 2**

**What if:**           **SALE IS TAXABLE  
CUSTOMER PICK-UP  
(PRINTER REGISTERED IN SINGLE STATE)**

**Printer in:**       State A/Registered in State A (only)

**Customer in:**    State B

**Mail house in:**   N/A

**Job:**             Print 2,000 Brochures

**Deliver to:**      Customer pick-up in State A

**Via:**             N/A

**Price (\*):**       \$10,000

**Tax in:**           State A   State B

**Taxable amt:**    \$10,000     N/A

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

**NOTES:**

- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS information).

**What If Situations  
(continued)**

**EXAMPLE 3**

<b>What if:</b>	<b>SALE IS TAXABLE PRINTER DELIVERY (PRINTER REGISTERED IN MULTIPLE STATES)</b>		
<b>Printer in:</b>	State A/Registered in States A, B AND C		
<b>Customer in:</b>	State B		
<b>Mail house in:</b>	N/A		
<b>Job:</b>	Print 2,000 Brochures		
<b>Deliver to:</b>	Customer		
<b>Via:</b>	Company Truck		
<b>Price (*):</b>	\$10,000		
<b>Tax in:</b>	<u>State A</u>	<u>State B</u>	<u>State C</u>
<b>Taxable amt:</b>	N/A	\$10,000	N/A

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

**NOTES:**

- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS information).

## What If Situations (continued)

### EXAMPLE 4

**What if:**           **SALE IS TAXABLE  
PRINTER DELIVERS JOB TO MAIL HOUSE IN-STATE  
(PRINTER REGISTERED IN SINGLE STATE)**

**Printer in:**       State A/Registered in State A (only)

**Customer in:**    State B

**Mail house in:**   State A/Agent of Printer <sup>1</sup>

**Job:**             Print 2,000 Brochures  
per mailing list: 200 delivered to State A

**Deliver to:**      Mail House

**Via:**             N/A

**Price (\*):**       \$10,000

**Tax in:**          State A

**Taxable amt:**     $200/2000 = 10\%$  of \$10,000 = \$1,000

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

**FACT CHANGE:** If in-state mailer is agent of customer, the final destination is mail-house and 100% of job is taxable in printer's State A; unless customer provides printer with mailing information, then taxable amount = \$1,000 in State A.

#### NOTES:

- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS)

---

<sup>1</sup>Agent of printer (e.g., selected by printer, mailer bills printer).

Agent of customer (e.g., selected by customer, mailer bills customer).

## What If Situations (continued)

### EXAMPLE 5

**What if:**           **SALE IS TAXABLE  
PRINTER DELIVERS JOB TO MAIL HOUSE OUT-OF-STATE  
(PRINTER REGISTERED IN SINGLE STATE)**

**Printer in:**       State A/Registered in State A (only)

**Customer in:**    State B

**Mail house in:**   Outside of State A/Agent of Printer <sup>2</sup>

**Job:**             Print 2,000 Brochures  
                      per mailing list: 200 delivered to State A

**Deliver to:**      Mail House

**Via:**             N/A

**Price (\*):**       \$10,000

**Tax in:**          State A

**Taxable amt:**     $200/2000 = 10\%$  of \$10,000 = \$1,000

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

**FACT CHANGE:** If mailer is agent of customer, the final destination is mail house out-of-state; therefore taxable amount = zero.

#### NOTES:

- Mailer is agent of printer; therefore location of mail house is irrelevant. Final destination is each addressee in State A (state of registration). If no mailing list is provided, then 100% of job is taxable in Printer's State A.
- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS)

---

<sup>2</sup>Agent of printer (e.g., selected by printer, mailer bills printer).

Agent of customer (e.g., selected by customer, mailer bills customer).



## What If Situations (continued)

### EXAMPLE 6

**What if:**           **SALE IS TAXABLE**  
                         **PRINTER DELIVERS JOB TO MAIL HOUSE IN ANY STATE**  
                         **(PRINTER REGISTERED IN MULTIPLE STATES)**

**Printer in:**   State A/Registered in State A, B and C

**Customer in:**   Any state

**Mail house in:**   Agent of Printer<sup>3</sup>

**Job:**               Print 2,000 Brochures  
                         per mailing list:       200 delivered to State A  
                                                      200 delivered to State B  
                                                      200 delivered to State C  
                                                      1, 400 delivered to other states

**Deliver to:**       Mail House

**Via:**               N/A

**Price (\*):**         \$10,000

**Tax in:**            State A   State B   State C

**Taxable amt:**     \$1,000    \$1,000    \$1,000

$$200/2000 = 10\% \text{ of } \$10,000 = \$1,000$$

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

**FACT CHANGE:** If mailer is agent of customer, final destination is state of mail-house. Therefore taxable amount =100% (if mail house is in state A, B or C, taxed in the state of mail house.) If a mailing list is provided, taxable amount is as per above example.

**FACT CHANGE:** If mailer is agent of customer and mail house is outside of state A, B, or C, then taxable amount = zero.

---

<sup>3</sup>Agent of printer (e.g., selected by printer, mailer bills printer).  
Agent of customer (e.g., selected by customer, mailer bills customer).

## **What If Situations (continued)**

### **EXAMPLE 6 (continued)**

#### **NOTES:**

- Mailer is agent of printer; therefore location of mail house is irrelevant. Final destination is each addressee in State A, B and C (states of registration). If no mailing list is provided, then 100% of job is taxable to Printer's State A.
- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS information).

## What If Situations (continued)

### EXAMPLE 7

**What if:**           **SALE IS TAXABLE  
PRINTER IS MAILER  
(PRINTER REGISTERED IN MULTIPLE STATES)**

**Printer in:**       State A/Registered in State A, B and C

**Customer in:**   Any state

**Mail house in:**  N/A

**Job:**             Print 2, 000 Brochures  
                      per mailing list:     200 delivered to State A  
                                                  200 delivered to State B  
                                                  200 delivered to State C  
                                                  1, 400 delivered to other states

**Deliver to:**      Addressees

**Via:**             Mail

**Price (\*):**       \$10,000

**Tax in:**           State A   State B   State C   Other States

**Taxable amt:**    \$1,000    \$1,000    \$1,000    N/A

$200/2000 = 10\% \text{ of } \$10,000 = \$1,000$

(\*) Taxable price will include delivery costs and postage (if charged) on materials delivered to PA, NJ or NY and if the printer is registered in PA, NJ or NY.

#### NOTES:

- Beware, if registered in multiple states, each state may have differing rules for taxability of the same transaction.
- Beware of possible obligation to register and collect tax in other states (see NEXUS information).

## **SECTION V**

### **SSUTA – STREAMLINED SALES AND USE TAX AGREEMENT**

## What Is the Streamlined Sales and Use Tax Agreement?

Organized in 2000, the **Streamlined Sales and Use Tax Project** objective is to simplify and modernize sales and use tax collection and administration in the United States. It arose in response to efforts by Congress to permanently prohibit states from collecting sales taxes on online commerce. Because such a ban would have serious financial consequences for the states, the project began as an effort to try to minimize the many differences between the sales tax policies and practices of states.

In a decision regarding mail order sales, the U.S. Supreme Court ruled in 1992 that mail-order retailers were not compelled to collect use tax and remit the tax to states, in part because of the complexities of doing so. With computers, however, the difficulties of doing so are much smaller today, so the remaining stumbling block lies in the variations among state sales taxes. Organizers of the project hope that by ironing out differences among state taxation levels, they will remove a major roadblock to the collection of taxes on online sales and convince Congress and the courts to allow them to collect these taxes regularly.

**As of July 2008, there are 22 participating states.** There are **19 full member states** (Arkansas, Indiana, Iowa, Kansas, Kentucky, Michigan, Minnesota, Nebraska, Nevada, New Jersey, North Carolina, North Dakota, Oklahoma, Rhode Island, South Dakota, Vermont, West Virginia, Washington, and Wyoming), which are states in compliance with the Streamlined Sales and Use Tax Agreement through its laws, rules, regulations and policies. There are **3 associate member states** (Ohio, Tennessee, and Utah) which are states in compliance with Streamlined Sales and Use Tax Agreement except that its laws, rules, regulations and policies to bring the state into compliance are not in effect but are scheduled to take effect on or before July 1, 2009; or are states that have achieved substantial compliance with the terms of the Streamlined Sales and Use Tax Agreement as a whole, but not necessarily each provision, and there is an expectation that the state will achieve compliance by July 1, 2009. There are **5 states with no sales tax** (Alaska, Delaware, Montana, New Hampshire and Oregon).

The project's organizers are setting up a system by which Internet e-commerce companies can voluntarily pay state taxes to the states in which their customers reside. The incentive being offered to companies is rather than try to work out how much tax a company owes for each locality, they can instead use a CSP (Certified Service Provider). In addition, "the states that are in compliance with SSUTA (Member States) will offer advantages to those sellers who use a CSP. Four companies have been designated Certified Service Providers for the project.

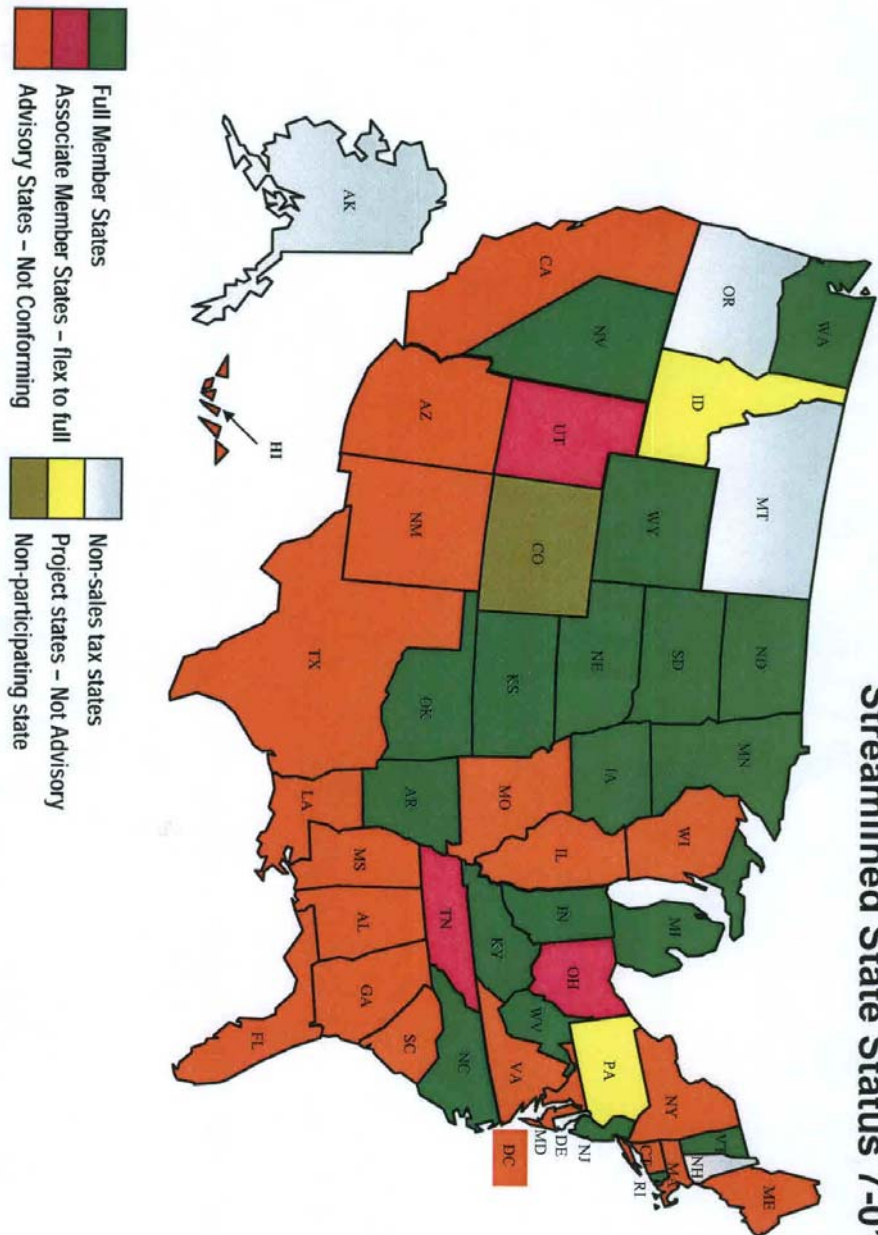
## **What is the Streamlines Sales and Use Tax Agreement (continued)**

One such advantage is that the states will offer amnesty “from assessment for uncollected or unpaid sales or use taxes together with interest or penalty for sales made during the period the seller was not registered in that state.”

The agreement goes into effect when 10 states comprising at least 20% of the population (of states imposing a sales tax) have come into compliance. **This threshold has not yet occurred.** In any case, collection by sellers of sales and use taxes on remote (out-of-state) sales remains voluntary under the agreement until either Congress or the Supreme Court acts to make this collection mandatory.

(Excerpts from Wikipedia)

## Streamlined State Status 7-01-08



**SECTION VI:  
APPENDIX AND RESOURCES**

**SAMPLE FORMS:  
Sales & Use Certificates of Exemption and  
Resale Certificates**



## **APPENDIX: SAMPLE FORMS**

### **Pennsylvania:**

<b>REV-72 AS</b>	Instructions for Sales Tax Exemption Application and Application for Sales Tax Exemption
<b>REV-1220 AS</b>	Pennsylvania Exemption Certificate
<b>REV-1715</b>	Exempt Organization Declaration of Sales Tax Exemption

### **New Jersey:**

<b>DTF-24</b>	Application for New Jersey/New York State Simplified Sales and Use Tax Reporting
<b>ST-3</b>	Sales Tax Resale Certificate
<b>ST-3NR</b>	Sales Tax Resale Certificate for Non-New Jersey Sellers
<b>ST-4</b>	Sales Tax Exempt Use Certificate
<b>ST-8</b>	Sales Tax Certificate of Exempt Capital Improvement
<b>ST-SST</b>	Uniform Sales & Use Tax Certificate—Multi-jurisdiction

### **New York:**

<b>ST-120</b>	Resale Certificate
<b>ST-121</b>	Sales and Use Tax Exempt Use Certificate
<b>ST-121.2</b>	Exemption Certificate for Purchases of Promotional Materials
<b>Pub. 718</b>	<b>Publication 718:</b> New York State Sales and Use Tax Rates by Jurisdiction
<b>Pub. 831</b>	<b>Publication 831:</b> Collection and Reporting Instructions for Printers and Mailers
<b>Pub. 852</b>	Excerpts from <b>Publication 852</b> , Sales Tax Information for Manufacturers: Part VI – Chart A, General Summary of the Production Exemption Part VII – Chart B, Examples of Taxable and Exempt Purchases by a Manufacturer Appendix A, Determining Electricity Used in Production Appendix D, Glossary of Terms
<b>TSB-M-79(3)S</b>	Definition of Newspapers and Periodicals
<b>TSB-M-92(2)S</b>	Transportation, Delivery Charges and Postage
<b>TSB-M-97(6)S</b>	Exemption for Promotional Materials

**SAMPLE FORMS:**

**PENNSYLVANIA**



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

**MAIL COMPLETED APPLICATION TO:**

PA DEPARTMENT OF REVENUE  
BUREAU OF BUSINESS TRUST FUND TAXES  
PO BOX 280909  
HARRISBURG, PA 17128-0909

## INSTRUCTIONS FOR SALES TAX EXEMPTION APPLICATION

### SECTION 1 - REGISTRATION

Institutions seeking exemption from Sales and Use Tax must complete this application. Section 1 – Registration must be completed by all institutions. Please follow the instructions carefully to insure all pertinent information and supporting documentation are supplied. All sections of the application must be completed in black ink.

**SELECT ONE OF THE FOLLOWING:**

- NEW REGISTRATION:** Applies to an institution that has never been registered with the PA Department of Revenue.
- EXPIRED EXEMPTION STATUS:** Applies to an institution that was previously registered with the PA Department of Revenue, but has since ceased operations, failed to renew, or whose exemption status was canceled.
- RENEWAL UPDATE:** Applies to an institution that is currently exempt, but is seeking to have its exemption status renewed for another term.

**REQUIRED DOCUMENTS -** The below documents are required to be submitted along with this application. Please check all boxes pertaining to your organization. Mail copies of the documents with the completed application.

**REQUIRED DOCUMENTATION CHECKLIST**

- ☐ INCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE ARTICLES OF INCORPORATION SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
- ☐ UNINCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE BY LAWS OR ANY GOVERNING DOCUMENT SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
- ☐ ALL ORGANIZATIONS MUST PROVIDE A COPY OF THE MOST CURRENT FINANCIAL STATEMENT (NEW ORGANIZATIONS CAN SUBSTITUTE A PROPOSED BUDGET) INCLUDING ALL INCOME AND EXPENSES LISTED BY SOURCE AND CATEGORY.
- ☐ IF THE INSTITUTION HAS BEEN GRANTED EXEMPTION BY THE INTERNAL REVENUE SERVICE (IRS), PROVIDE A COPY OF THE DETERMINATION LETTER.
- ☐ IF THE INSTITUTION FILES FORM 990, PROVIDE A COPY OF THE MOST RECENTLY COMPLETED FORM WITH THE APPLICATION.

### SUBSECTION A - INSTITUTION INFORMATION

- INSTITUTION LEGAL NAME:** Enter the legal name of the institution.
- FEDERAL EIN:** Enter the Federal Employer Identification Number (EIN) assigned to the institution by the Internal Revenue Service. If the institution does not have an EIN, enter "n/a." If the institution has made application for an EIN, enter "applied for."
- INSTITUTION TRADE NAME:** Enter the name the institution is commonly known by (doing business as), if it is a name other than the legal name. If the trade name is the same as the legal name, enter "same."
- TELEPHONE NUMBER:** Enter the telephone number for the institution.
- STREET ADDRESS:** Enter the physical location of the institution. A post office box is not acceptable.
- DATE OF FIRST OPERATIONS:** Enter the first date the institution conducted any activity.
- LOCATION OF INSTITUTION'S RECORDS:** Enter the address where the institution's records are kept. A post office box is not acceptable. Be sure to include the name of the county.
- MAILING ADDRESS:** Enter the address where the institution prefers to receive mail, if at an address other than the institution's street address. A post office box is acceptable.

## **SUBSECTION B - FORM OF ORGANIZATION**

Check the box or fill in the blank to indicate the form of organization that applies to the institution. Examples would include sole proprietorship, partnership, corporation, and association.

Enter the date of incorporation and the state of incorporation. If the institution is not incorporated, enter "n/a."

Check the box to indicate whether the institution is operated for profit or as a nonprofit organization.

If the institution has applied to and been approved by the Internal Revenue Service as tax-exempt, indicate under which section of the Internal Revenue Code the institution qualifies. Institutions are under a continuing obligation to immediately notify the PA Department of Revenue if there is any change in this status. If an institution has not applied to the Internal Revenue Service, enter "n/a."

All institutions are under a mandatory continuing obligation to report to the PA Department of Revenue any change in their exemption status with the Internal Revenue Service. Institutions are required to report all changes within ten days in writing to the Department. Such changes would include, but are not limited to, a revocation of the exemption status or receiving an individual exemption where the organization was previously covered under a group exemption status.

All institutions are under a mandatory continuing obligation to report to the PA Department of Revenue any court decision that may affect the institution's tax exemption status. The court decision may be within the state of Pennsylvania or any other jurisdiction. Institutions are required to report all changes within ten days in writing to the Department.

All institutions are under a mandatory continuing obligation to report to the PA Department of Revenue if the organization is currently being challenged by the Internal Revenue Service, the Commonwealth of Pennsylvania, a political subdivision, or any for profit entity. Institutions are required to report this information within ten days in writing to the Department.

All correspondence should be mailed to the following address:

PA Department of Revenue  
Bureau of Business Trust Fund Taxes  
Miscellaneous Tax Division  
PO BOX 280909  
Harrisburg, PA 17128-0909

## **SUBSECTION C - ORGANIZATION INFORMATION**

All activities carried on by the institution for a period of three years should be reported. This explanation must contain a detailed description of how the beneficiaries are selected. Additional sheets can be attached to the application should the response require more room than the space allotted. If your by-laws or IRS Form 990 explain your organizational purpose in detail, those documents can be used to complete this section. Attach any additional documentation such as brochures or pamphlets that explain the institution's purpose.

## **SUBSECTION D - AFFILIATE INFORMATION**

In this section, indicate whether the institution is affiliated with another organization. Affiliate is defined as a domestic or foreign corporation, association, trust, or other organization that owns a 10% or greater interest in an institution of purely public charity. This definition also includes situations where an institution of purely public charity owns a 10% or greater interest in a domestic or foreign corporation, association, trust or other organization.

Please attach an organizational chart to the application.

For a parent institution to be considered as an "other nonprofit entity" for purposes of Act 55, all of its subsidiaries must first qualify as an Institution of Purely Public Charity. An organization seeking to qualify as an "other nonprofit entity" is only required to complete Section 1.

## **SUBSECTION E - OFFICER INFORMATION**

Enter the requested information for each officer. Additional sheets should be attached if the institution has more than four officers. This section must be completed even if the officers are not paid a salary from the organization. Organizations who complete IRS Form 990 may substitute Part V of the most recently completed return.

**ANNUAL COMPENSATION:** Indicate what each officer receives in the form of compensation from the organization before taxes and other payroll deductions.

**OTHER BENEFITS AND AMOUNTS OF EACH:** List the benefits each officer receives in addition to their salary and include the value of each benefit. Such benefits would include, but are not limited to, health insurance programs, life insurance, expense accounts, and automobile usage.

## **SUBSECTION F - SALARY INFORMATION**

All organizations must complete this section. Organizations who file IRS Form 990 and complete Schedule A may substitute Schedule A of the most recently completed return.

**NAME:** List the names of the highest paid individuals within the organization, excluding the officers who were listed in Subsection E.

**POSITION:** Indicate what position they hold within the institution, i.e., director, manager.

**SALARY:** Indicate their current salary from the organization before taxes and other exclusions.

**OTHER BENEFITS AND AMOUNTS OF EACH:** List the benefits each individual receives in addition to their salary and include the value of each benefit. Such benefits would include, but are not limited to, health insurance programs, life insurance, expense accounts, and automobile usage.

## **SECTION 2 - FINANCIAL INFORMATION**

All institutions must complete Part 1 (Basic Questions) and all remaining parts as applicable. Emergency health and safety service institutions and religious organizations are only required to complete Part 1 (Basic Questions). Organizations engaging only in fundraising activities should complete Part 1 (Basic Questions) and Part 4 (Fundraising Activities). It is recommended that colleges and universities answer Part 1 (Basic Questions) as well as Part 2 (Recipient Information) questions 1, 4, and 5 to qualify. All other types of institutions should complete all of the parts as applicable. Institutions may answer "NO" or "N/A" – Not Applicable – to any question that does not pertain to their institution.

Institutions may either use the current year's financial data or it may choose to average their financial information for the five most recently completed fiscal years. If the institution does average the financial information, all financial statements used in the calculations must be submitted with the application. Institutions electing to average financial data should indicate in the space provided the years from which they have used the data.

### **PART 1 - BASIC QUESTIONS**

**LINE 1 - INCOME** – List each activity in which the institution receives revenue. This question must be completed by all institutions.

A contribution includes any promise, grant, pledge or gift of money, property, goods, services, financial assistance or other similar remittance. It includes amounts received from individuals, trusts, corporations, estates, and foundations, or raised by an outside professional fund-raiser.

A fee-for-service payment is any payment received under any governmental program. This would include Medicare, Medicaid, Workers' Compensation, CHAMPUS, etc. Break out amounts according to the various programs.

**LINE 2 - EXPENSES** – List each expense the institution incurs as a result of its charitable activity. Examples would include salaries, supplies, equipment costs, postage and handling. All organizations must complete this question. If the institution completes IRS Form 990, the institution should attach a copy of the most recently completed year and may skip this question. The year of the IRS Form 990 must be identical to the year from which the remaining financial data is taken.

**LINE 3 -** A voluntary agreement is an agreement, contract or other arrangement whereby the institution is making contributions to a school district, municipality, or county government in lieu of taxes. The term voluntary agreement also includes the establishment of public service foundations by institutions of purely public charity.

If an institution has such an arrangement with local governments, indicate so in the space provided. If an institution has more than one agreement with different taxing jurisdictions, include the total number of agreements. Each agreement must be attached to the application.

**LINE 4 -** Each person who donates their time to the institution should be listed along with the reasonable number of hours per week and the number of weeks per year. The data must be from the same year as the financial data. Alternatively, the institution may list the number of individuals who contribute the same number of hours per week and weeks per year. A listing by names and hours worked should be available for inspection by the Department if requested. For example, the institution may have 3 volunteers who each contribute 3 hours for 50 weeks and 5 volunteers who each contribute 5 hours per week for 26 weeks per year. The entry would appear as follows:

NAME OF INDIVIDUAL OR NUMBER OF INDIVIDUALS	HOURS PER WEEK	WEEKS PER YEAR
3	3	50
5	5	26

**LINE 5 -** **A.** This figure represents the total number of individuals currently receiving goods or services from the institution. In calculating the number of individuals for purposes of this section, educational institutions may include the number of full-time students as defined by the Department of Education. Supply any documentation that can support this figure. Examples of this would include children in a little league or patients seen by a hospital.

**B.** This figure represents total registered members of the organization.

**LINE 6 -** This figure represents the number of individuals who are receiving goods or services for which are free. The goods or services provided must be entirely free. Supply any documentation that can support this figure.

**LINE 7 -** This figure represents the number of individuals who pay a fee that is less than the cost the institution incurs in providing the goods or services. Regardless of the discount given, this figure should represent the total number of individuals who receive a discount. Do not include in the count the number of individuals who do not pay any fee.

**LINE 8 -** Check YES if any of the people who receive goods or services from the organization pay a fee that is equal to or greater than the cost of the goods or services provided to them.

**LINE 9 -** This question considers only those individuals who are receiving financial assistance from the institution. List the number of individuals who receive financial assistance, such as scholarships, grants, etc., from the institution.

**LINE 10 -** List the number who receive financial assistance of more than 10% of the cost of goods or services that are provided to them

**Emergency Health and Safety Service Institutions and religious organizations should stop here.**

## **PART 2 - RECIPIENT INFORMATION**

**LINE 1 -** This figure represents the percentage of individuals who receive goods or services from the institution who pay a fee that is at least 10% lower than the cost of the goods or services they receive. Supply any documentation that can support this figure.

**LINE 2 -** This figure should represent the cost the institution incurs in providing community services. Supply any documentation that can support this figure.

**LINE 3 -** This figure should represent the payments the institution receives for providing community services. Supply any documentation that can support this figure.

**LINE 4 -** This figure should represent the cost the institution incurs in providing education and research programs. Supply any documentation that can support this figure.

**LINE 5 -** This figure should represent the payments the institution receives for providing education and research programs. Supply any documentation that can support this figure.

- LINE 6 -**
- (A) The institution must indicate whether it supplies goods or services to individuals with mental retardation or to individuals who need mental health services.
  - (B) If the individual is mentally retarded or the recipient of mental health services, the institution must indicate whether it supplies an individual's family or guardian in support of such goods or services.
  - (C) The institution must indicate whether it provides goods or services to individuals who are deemed dependent, neglected, or delinquent children.

If the response to either A, B, or C above is YES, then answer the next question. Otherwise, skip to the next Part. Check YES or NO as to whether any of the statutes or regulations apply to the organization.

### **PART 3 - GOODS OR SERVICES PROVIDED**

- LINE 1 -** This figure is the full cost of providing goods or services for free. The institution cannot have received partial payments or even have attempted to collect payments. This figure is only the amounts the institution donates at 100%.
- LINE 2 -** This figure should include the loss that is incurred by the institution charging less than the full cost of goods or services the institution provides. This figure should not include bad debts or amounts deemed uncollectible. The cost of goods or services should only be those goods or services associated with the institution's charitable purpose. The cost figure should include only actual cost incurred by the institution.
- LINE 3 -** The total amount of accounts deemed uncollectible should be included here. Uncollectible amounts are those that the institution has originally charged for, whether it be at full cost or at a discount, but for which the institution has not received payment. This figure is not the allowance for bad debts, or the bad debt expense, nor should it include any opportunity costs. Rather, it is only the actual cost of the goods or services provided for which the institution is unable to collect after reasonable and customary collection efforts have failed. If the institution did receive some payment, but not the full amount charged, include only what was uncollectible here.
- LINE 4 -** Check YES if the institution has a published, written policy that it provides goods or services to anyone who seeks them regardless of their ability to pay. If the institution does have such a written policy, attach a copy to the application.
- LINE 5 -** Check YES if the institution has a published, written policy that it provides goods or services to people based upon their ability to pay. If the institution does have such a written policy, attach a copy to the application.
- LINE 6 -** Check YES if the institution has a written fee schedule that outlines how much an individual will pay based upon their income level. A copy of the fee schedule must be enclosed with the application.
- LINE 7 -** If the goods that the individuals receive at no fee or at a reduced fee are of comparable quality and quantity to the goods or services offered at a higher cost, check YES.
- LINE 8 -** The institution should compute the cost of providing goods or services only to those individuals who are recipients of government programs. The government programs include, among other things, Medicare and Medicaid. Supply any documentation that can support this figure.
- LINE 9 -** If the institution provides goods or services for free or at a reduced rate to government agencies or individuals eligible for government programs, then check YES.
- LINE 10 -** If the institution provides goods or services to individuals who are eligible for government programs, check YES.
- LINE 11 -** This figure represents the cost of providing goods or services to individuals for whom the institution receives fee-for-service payments. A fee-for-service payment is any payment received under any governmental program. This would include Medicare, Medicaid, Workers' Compensation, CHAMPUS, etc. Supply any documentation that can support this figure. The amount the institution received from the government from fee-for-service payments should be listed under Part 1, question 1 (Income).

**LINE 12** - Check YES if the institution is licensed by the Department of Health or the Department of Public Welfare.

Attach a list showing the reasonable amount that the institution receives or donates to other charitable organizations in the form of contributions. The lists should be broken out according to each organization and the amount donated or received from each. Supply any documentation that can support this figure.

#### **PART 4 - FUNDRAISING ACTIVITIES**

**LINE 1** - This question asks whether the institution operates to fund raise on behalf of, or supply grants to, another organization. This other organization must be an institution of purely public charity, an entity similarly recognized by another state or foreign jurisdiction, a qualifying religious organization, or a government agency. The institution must make an actual contribution of a substantial portion of the funds it raises to the organization. A listing of the organizations who receive the contributions and the amount donated to each organization must accompany the application.

#### **SUBSECTION D - AUTHORIZED SIGNATURE**

**SIGNATURE OF CORPORATE OFFICER:** The application must be signed by a corporate officer who is responsible for the information provided. Enter the title of the person who signed the form. If not incorporated, the application should be signed by a responsible party.

**SOCIAL SECURITY NUMBER:** The Social Security Number of the corporate officer or responsible party must be provided.

**TYPE OR PRINT NAME:** Type or print name of the person who signed, the date the form was signed, and a daytime telephone number.

**PREPARER'S NAME:** Type or print name of the preparer, the date, the preparer's daytime telephone number, and title.

---

**MAIL COMPLETED APPLICATION TO:** **PA DEPARTMENT OF REVENUE**  
**BUREAU OF BUSINESS TRUST FUND TAXES**  
**MISCELLANEOUS TAX DIVISION**  
**PO BOX 280909**  
**HARRISBURG, PA 17128-0909**  
**(717) 783-5473**  
**TT# 1-800-447-3020 (Services for taxpayers**  
**with special hearing and/or speaking needs).**





COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE

## APPLICATION FOR SALES TAX EXEMPTION

(Must be completed in black ink.)

EXEMPTION NUMBER: \_\_\_\_\_  
DATE OF ACTION: \_\_\_\_\_  
DENIAL REASON: \_\_\_\_\_  
EVALUATOR: \_\_\_\_\_

### SECTION 1 - REGISTRATION

INSTITUTIONS SEEKING EXEMPTION FROM SALES AND USE TAX MUST COMPLETE THIS APPLICATION. SECTION 1 — REGISTRATION MUST BE COMPLETED BY ALL INSTITUTIONS. PLEASE FOLLOW THE INSTRUCTIONS CAREFULLY TO INSURE ALL PERTINENT INFORMATION AND SUPPORTING DOCUMENTATION ARE SUPPLIED.

CHECK THE APPROPRIATE BOX TO INDICATE THE REASON FOR THIS REGISTRATION.

☐ NEW REGISTRATION ☐ EXPIRED EXEMPTION STATUS ☐ RENEWAL UPDATE

#### REQUIRED DOCUMENTATION CHECKLIST

- ☐ INCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE ARTICLES OF INCORPORATION SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
- ☐ UNINCORPORATED INSTITUTIONS MUST PROVIDE A COPY OF THE BY LAWS OR ANY GOVERNING DOCUMENT SPECIFICALLY INCLUDING A PROVISION PROHIBITING THE USE OF ANY SURPLUS FUNDS FOR PRIVATE INUREMENT TO ANY PERSON IN THE EVENT OF A SALE OR DISSOLUTION OF THE INSTITUTION.
- ☐ ALL ORGANIZATIONS MUST PROVIDE A COPY OF THE MOST CURRENT FINANCIAL STATEMENT (NEW ORGANIZATIONS CAN SUBSTITUTE A PROPOSED BUDGET) INCLUDING ALL INCOME AND EXPENSES LISTED BY SOURCE AND CATEGORY.
- ☐ IF THE INSTITUTION HAS BEEN GRANTED EXEMPTION BY THE INTERNAL REVENUE SERVICE (IRS), PROVIDE A COPY OF THE DETERMINATION LETTER.
- ☐ IF THE INSTITUTION FILES FORM 990, PROVIDE A COPY OF THE MOST RECENTLY COMPLETED FORM WITH THE APPLICATION.

### SUBSECTION A - INSTITUTION INFORMATION

INSTITUTION LEGAL NAME		FEDERAL EMPLOYER IDENTIFICATION NUMBER (EIN) *	
INSTITUTION TRADE NAME (IF DIFFERENT THAN LEGAL NAME)		INSTITUTION TELEPHONE NUMBER	
INSTITUTION STREET ADDRESS (do not use PO box)			
CITY	STATE	ZIP CODE	DATE OF FIRST OPERATIONS
LOCATION OF INSTITUTION RECORDS (street address)		CITY	
COUNTY	STATE	ZIP CODE	
INSTITUTION MAILING ADDRESS (if different than street address)	CITY	STATE	ZIP CODE

### SUBSECTION B - FORM OF ORGANIZATION

CHECK THE APPROPRIATE BOX: ☐ CORPORATION ☐ ASSOCIATION ☐ OTHER \_\_\_\_\_

DATE OF INCORPORATION \_\_\_\_\_ STATE OF INCORPORATION \_\_\_\_\_

IS THE INSTITUTION ORGANIZED FOR PROFIT OR NONPROFIT? ☐ PROFIT ☐ NONPROFIT

IF THE INSTITUTION QUALIFIES AS EXEMPT FROM TAXATION THROUGH THE INTERNAL REVENUE SERVICE, INDICATE UNDER WHICH SECTION THE ORGANIZATION QUALIFIES: 501(C)(\_\_\_\_\_)

IF THE INSTITUTION HAS PREVIOUSLY BEEN GRANTED TAX EXEMPT STATUS FROM THE INTERNAL REVENUE SERVICE, HAS THAT STATUS CHANGED WITHIN THE PAST FIVE YEARS? ☐ YES ☐ NO

HAS THERE BEEN A COURT DECISION IN PENNSYLVANIA OR ANY OTHER JURISDICTION THAT AFFECTS THE INSTITUTION'S LOCAL OR STATE TAX EXEMPTION WITHIN THE PAST FIVE YEARS? ☐ YES ☐ NO

IS YOUR TAX EXEMPT STATUS CURRENTLY BEING CHALLENGED BY THE INTERNAL REVENUE SERVICE, THE COMMONWEALTH OF PENNSYLVANIA, A POLITICAL SUBDIVISION, OR A FOR PROFIT ENTITY? ☐ YES ☐ NO

\* All organizations that have been granted 501(c) 3 tax exemption status by the United States Federal Government should supply their Federal EIN Number.



## APPLICATION FOR SALES TAX EXEMPTION

### SUBSECTION C - ORGANIZATION INFORMATION

PROVIDE A DETAILED DESCRIPTION OF THE PAST, PRESENT, AND PLANNED FUTURE ACTIVITIES OF THE INSTITUTION FOR A PERIOD OF THREE YEARS. INCLUDE A DESCRIPTION OF HOW BENEFICIARIES ARE SELECTED.

---

---

---

---

### SUBSECTION D - AFFILIATE INFORMATION

ARE YOU A NONPROFIT PARENT CORPORATION THAT ELECTS TO BE CONSIDERED AS A SINGLE INSTITUTION IN CONJUNCTION WITH YOUR SUBSIDIARY WHO IS AN INSTITUTION OF PURELY PUBLIC CHARITY?

☐ YES ☐ NO

ARE YOU AFFILIATED WITH ANOTHER ORGANIZATION?

☐ YES ☐ NO

LIST EACH AFFILIATE, AND THEIR ADDRESS, THE DATE OF AFFILIATION/SUBSIDIARY, PERCENT OF OWNERSHIP IN EACH, THE TYPE OF INSTITUTION, THE RELATIONSHIP, AND WHETHER IT IS ORGANIZED AS A PROFIT OR NONPROFIT INSTITUTION. ATTACH ADDITIONAL SHEETS IF NECESSARY OR AN ORGANIZATIONAL CHART.

NAME OF AFFILIATE	FEDERAL EIN NUMBER	PERCENT OF OWNERSHIP
ADDRESS		DATE OF AFFILIATION
TYPE OF ORGANIZATION	RELATIONSHIP	PROFIT OR NONPROFIT
NAME OF AFFILIATE	FEDERAL EIN NUMBER	PERCENT OF OWNERSHIP
ADDRESS		DATE OF AFFILIATION
TYPE OF ORGANIZATION	RELATIONSHIP	PROFIT OR NONPROFIT

### SUBSECTION E - OFFICER INFORMATION

THIS SECTION MUST BE COMPLETED IN FULL BY EVERY INSTITUTION EVEN IF THE INSTITUTION DOES NOT COMPENSATE ITS OFFICERS. THE ANNUAL COMPENSATION SHOULD INCLUDE THE OFFICER'S SALARY FROM THE INSTITUTION, CONTRIBUTIONS MADE ON THE OFFICER'S BEHALF TO EMPLOYEE BENEFIT PROGRAMS AND DEFERRED COMPENSATION, EXPENSE ACCOUNT, AND ANY OTHER FORM OF COMPENSATION. ATTACH ADDITIONAL SHEETS IF NECESSARY. IRS FORM 990 MAY BE SUBSTITUTED.

LAST NAME	FIRST NAME	TITLE	ANNUAL COMPENSATION
OTHER BENEFITS AND AMOUNTS OF EACH			
LAST NAME	FIRST NAME	TITLE	ANNUAL COMPENSATION
OTHER BENEFITS AND AMOUNTS OF EACH			
LAST NAME	FIRST NAME	TITLE	ANNUAL COMPENSATION
OTHER BENEFITS AND AMOUNTS OF EACH			
LAST NAME	FIRST NAME	TITLE	ANNUAL COMPENSATION
OTHER BENEFITS AND AMOUNTS OF EACH			



## APPLICATION FOR SALES TAX EXEMPTION

### SUBSECTION F - SALARY INFORMATION All organizations must complete this information.

IS COMPENSATION BASED IN ANY WAY ON THE FINANCIAL PERFORMANCE OF THE INSTITUTION? ☐ YES ☐ NO  
IF YES, PLEASE EXPLAIN ON A SEPARATE SHEET AND ATTACH IT TO THE APPLICATION.

DOES THE INSTITUTION APPLY OR RESERVE ALL REVENUE, INCLUDING CONTRIBUTIONS, IN EXCESS OF EXPENSES IN FURTHERANCE OF ITS CHARITABLE PURPOSE OR TO FUNDING OF OTHER INSTITUTIONS WHO ARE CONSIDERED INSTITUTIONS OF PURELY PUBLIC CHARITY? ☐ YES ☐ NO

DO ANY OF THE INSTITUTION'S NET EARNINGS OR DONATIONS THAT IT RECEIVES INURE TO THE BENEFIT OF PRIVATE SHAREHOLDERS OR INDIVIDUALS? ☐ YES ☐ NO

LIST POSITION, SALARY, AND OTHER COMPENSATION, INCLUDING BENEFITS, OF THE FOUR HIGHEST PAID INDIVIDUALS. DO NOT REPEAT THOSE OFFICERS LISTED IN SUBSECTION E (OFFICER INFORMATION). INDICATE IN THE SPACE ALLOTTED BELOW A STATEMENT INDICATING THE BASIS OF COMPENSATION. IF THE INSTITUTION IS COMPRISED ONLY OF VOLUNTEERS, SKIP THIS SECTION BY WRITING "NOT APPLICABLE". IF SCHEDULE A IS COMPLETED, IRS FORM 990 SCHEDULE A MAY BE SUBSTITUTED.

LAST NAME	FIRST NAME	POSITION	SALARY
-----------	------------	----------	--------

OTHER BENEFITS AND AMOUNTS OF EACH

LAST NAME	FIRST NAME	POSITION	SALARY
-----------	------------	----------	--------

OTHER BENEFITS AND AMOUNTS OF EACH

LAST NAME	FIRST NAME	POSITION	SALARY
-----------	------------	----------	--------

OTHER BENEFITS AND AMOUNTS OF EACH

LAST NAME	FIRST NAME	POSITION	SALARY
-----------	------------	----------	--------

OTHER BENEFITS AND AMOUNTS OF EACH

## SECTION 2 - FINANCIAL DATA

PLEASE REFER TO THE INSTRUCTIONS BEFORE COMPLETING THIS SECTION. ALL INSTITUTIONS MUST COMPLETE SECTION 1.  
INDICATE THE YEAR FROM WHICH FINANCIAL DATA WAS USED: \_\_\_\_\_

### PART 1 - BASIC QUESTIONS

- (1) INCOME - LIST ALL OF THE SOURCES OF INCOME, INCLUDING CONTRIBUTIONS, RECEIVED AS PART OF THE INSTITUTION'S CHARITABLE PURPOSE. EXAMPLE CATEGORIES ARE LISTED. ADDITIONAL SOURCES SHOULD BE LISTED AND IDENTIFIED UNDER 'OTHER'. ATTACH ADDITIONAL SHEETS IF NECESSARY.

ACTIVITY	DOLLAR AMOUNT
CONTRIBUTIONS & DONATIONS	
FEES RECEIVED FOR GOODS OR SERVICES	
FEE-FOR-SERVICE PAYMENTS FOR ANY GOVERNMENTAL PROGRAMS	
GOVERNMENT SUPPORT (ie. GRANTS, FUNDING, etc.)	
OTHER, LIST:	

**TOTAL REVENUE**  
(INCLUDING AMOUNTS LISTED  
ON SEPARATE SHEETS)



## APPLICATION FOR SALES TAX EXEMPTION

- (2) EXPENSES – LIST THE EXPENSES DIRECTLY RELATED TO THE INSTITUTION'S CHARITABLE PURPOSE AND THEIR RESPECTIVE AMOUNTS. ATTACH ADDITIONAL SHEETS TO THE APPLICATION. (NOTE: ANY EXPENSES NOT INCLUDED IN THIS SECTION MAY BE SUBJECT TO A SALES OR USE TAX.) IRS FORM 990 MAY BE SUBSTITUTED.

ACTIVITY	DOLLAR AMOUNT

**TOTAL EXPENSES**  
(INCLUDING AMOUNTS LISTED  
ON SEPARATE SHEETS)

- (3) DOES THE INSTITUTION HAVE A VOLUNTARY AGREEMENT (i.e. PILOT, SILOT, etc.) WITH A POLITICAL SUBDIVISION? ATTACH A COPY OF EACH AGREEMENT WITH THE APPLICATION. ☐ YES ☐ NO
- (4) VOLUNTEERS – THE INSTITUTION MAY ELECT TO LIST THE NAME OF EACH VOLUNTEER, ALONG WITH THE NUMBER OF HOURS WORKED EACH WEEK AND THE NUMBER OF WEEKS VOLUNTEERED FOR THE YEAR. ALTERNATIVELY, THE INSTITUTION MAY BREAK OUT THEIR LIST ACCORDING TO THE NUMBER OF VOLUNTEERS WHO CONTRIBUTE THE SAME NUMBER OF HOURS EACH WEEK AND WEEKS EACH YEAR. A LISTING BY NAMES AND HOURS WORKED SHOULD BE AVAILABLE FOR INSPECTION BY THE DEPARTMENT IF REQUESTED. ATTACH ADDITIONAL SHEETS AS NEEDED.

YEAR FROM WHICH VOLUNTEER DATA WAS GATHERED: \_\_\_\_\_

NAME OF INDIVIDUAL OR NUMBER OF INDIVIDUALS	HOURS PER WEEK	WEEKS PER YEAR

- (5) A. HOW MANY PEOPLE RECEIVE GOODS OR SERVICES FROM THE INSTITUTION? \_\_\_\_\_  
B. HOW MANY REGISTERED MEMBERS ARE IN YOUR ORGANIZATION/CHURCH? \_\_\_\_\_
- (6) HOW MANY PEOPLE RECEIVE THE GOODS OR SERVICES FOR FREE? \_\_\_\_\_
- (7) HOW MANY PEOPLE PAY A REDUCED FEE FOR THE GOODS OR SERVICES? \_\_\_\_\_
- (8) DO ANY OF THE PEOPLE RECEIVING GOODS OR SERVICES PAY A FEE WHICH IS EQUAL TO OR GREATER THAN THE COST OF THE GOODS OR SERVICES PROVIDED TO THEM? ☐ YES ☐ NO
- (9) WHAT NUMBER OF INDIVIDUALS RECEIVE FINANCIAL ASSISTANCE FROM THE INSTITUTION? \_\_\_\_\_
- (10) AFTER SUBTRACTING THE FINANCIAL ASSISTANCE GRANTED BY THE INSTITUTION, HOW MANY INDIVIDUALS PAID A FEE 90% OR LESS OF THE COST OF THE GOODS OR SERVICES PROVIDED TO THEM? \_\_\_\_\_

**Emergency Health and Safety Service Institutions and religious organizations should stop here and turn to page 12 and complete the Authorized Signature.**

### PART 2 - RECIPIENT INFORMATION

- (1) WHAT PERCENTAGE OF INDIVIDUALS RECEIVING GOODS OR SERVICES FROM THE INSTITUTION RECEIVE A REDUCTION IN FEES OF AT LEAST 10% OF THE COST OF THE GOODS OR SERVICES PROVIDED TO THEM? \_\_\_\_\_
- (2) WHAT IS THE COST OF PROVIDING COMMUNITY SERVICES PROVIDED BY OR PARTICIPATED IN BY THE INSTITUTION? ATTACH A COPY OF SUPPORTING DOCUMENTATION TO THE APPLICATION. \_\_\_\_\_
- (3) WHAT AMOUNT DOES THE INSTITUTION RECEIVE AS PAYMENTS TO SUPPORT SUCH COMMUNITY SERVICES? ATTACH A COPY OF SUPPORTING DOCUMENTATION TO THE APPLICATION. \_\_\_\_\_



## APPLICATION FOR SALES TAX EXEMPTION

(4) WHAT IS THE COST OF PROVIDING EDUCATION AND RESEARCH PROGRAMS PROVIDED BY OR PARTICIPATED IN BY THE INSTITUTION? ATTACH A COPY OF SUPPORTING DOCUMENTATION TO THE APPLICATION.

(5) WHAT AMOUNT DOES THE INSTITUTION RECEIVE AS PAYMENT TO SUPPORT ITS EDUCATION AND RESEARCH PROGRAMS? ATTACH A COPY OF SUPPORTING DOCUMENTATION TO THE APPLICATION.

- |     |     |                                                                                                                                                                                       |                              |                             |
|-----|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| (6) | (A) | DOES THE INSTITUTION PROVIDE GOODS OR SERVICES TO INDIVIDUALS WITH MENTAL RETARDATION OR TO INDIVIDUALS WHO NEED MENTAL HEALTH SERVICES?                                              | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|     | (B) | DOES THE INSTITUTION PROVIDE GOODS OR SERVICES TO MEMBERS OF AN INDIVIDUAL'S FAMILY OR GUARDIAN IN SUPPORT OF SUCH GOODS OR SERVICES?                                                 | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
|     | (C) | DOES THE INSTITUTION PROVIDE GOODS OR SERVICES TO INDIVIDUALS WHO ARE DEPENDENT, NEGLECTED OR DELINQUENT CHILDREN THAT WOULD OTHERWISE BE THE GOVERNMENT'S RESPONSIBILITY TO PROVIDE? | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

IF THE RESPONSE TO ANY OF THE ABOVE THREE QUESTIONS IS YES, ANSWER THE FOLLOWING QUESTIONS. OTHERWISE, SKIP TO THE NEXT PART. DO ANY OF THE FOLLOWING STATUTES OR REGULATIONS GOVERN THE INSTITUTION'S ABILITY TO RETAIN REVENUE OVER EXPENSES OR VOLUNTARY CONTRIBUTION:

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                              |                             |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| (A) | SECTION 1315(C) AND 1905(D) OF THE SOCIAL SECURITY ACT.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (B) | 42 CFR 440.150 (RELATING TO INTERMEDIATE CARE FACILITY SERVICES)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (C) | 42 CFR PT 483 SUBPART I (RELATING TO CONDITIONS OF PARTICIPATION FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (D) | THE ACT OF OCTOBER 20, 1966 (MENTAL HEALTH AND MENTAL RETARDATION ACT OF 1966)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (E) | ARTICLES II, VII, IX AND X OF THE ACT OF JUNE 13, 1967 KNOWN AS THE PUBLIC WELFARE CODE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (F) | 23 PA.C.S. CH. 63 (RELATING TO CHILD PROTECTIVE SERVICES)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (G) | 42 PA.C.S. CH. 63 (RELATING TO JUVENILE MATTERS)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <input type="checkbox"/> YES | <input type="checkbox"/> NO |
| (H) | 55 PA CODE CHS 3170 (RELATING TO ALLOWABLE COSTS AND PROCEDURES FOR COUNTY CHILDREN AND YOUTH), 3680 (RELATING TO ADMINISTRATION AND OPERATION OF A CHILDREN AND YOUTH SOCIAL SERVICE AGENCY), 4300 (RELATING TO COUNTY MENTAL HEALTH AND MENTAL RETARDATION FISCAL MANUAL), 6400 (RELATING TO COMMUNITY HOMES FOR INDIVIDUALS WITH MENTAL RETARDATION), 6500 (RELATING TO FAMILY LIVING HOMES), 6210 (RELATING TO PARTICIPATION REQUIREMENTS FOR THE INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED PROGRAM), 6211 (RELATING TO ALLOWABLE COST REIMBURSEMENT FOR NON-STATE OPERATED INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED), AND 6600 (RELATING TO INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED) | <input type="checkbox"/> YES | <input type="checkbox"/> NO |

### PART 3 - GOODS OR SERVICES PROVIDED

(1) WHAT IS THE COST OF ALL GOODS OR SERVICES PROVIDED BY THE INSTITUTION FOR WHICH IT HAS NOT RECEIVED MONETARY COMPENSATION? THIS FIGURE SHOULD NOT INCLUDE BAD DEBTS OR ACCOUNTS REPORTED AS UNCOLLECTIBLE.

(2) IF THE INSTITUTION RECEIVES A LESSER FEE THAN THE FULL COST ASSOCIATED WITH PROVIDING GOODS OR SERVICES, INDICATE WHAT THE DIFFERENCE BETWEEN THE FULL COST AND THE AMOUNT RECEIVED AS COMPENSATION.

(3) IF THE INSTITUTION CHARGES A FEE TO INDIVIDUALS PURCHASING ITS GOODS OR SERVICES, WHAT IS THE COST FOR THOSE GOODS OR SERVICES RENDERED TO INDIVIDUALS WHOSE ACCOUNTS ARE DEEMED UNCOLLECTIBLE?

(4) DOES THE INSTITUTION HAVE A PUBLISHED WRITTEN POLICY STATING THAT GOODS OR SERVICES WILL BE PROVIDED TO ALL WHO SEEK THEM WITHOUT REGARD TO THEIR ABILITY TO PAY?

(5) DOES THE INSTITUTION HAVE A WRITTEN POLICY STATING THAT GOODS OR SERVICES WILL BE PROVIDED FOR A FEE BASED UPON THE RECIPIENT'S ABILITY TO PAY FOR THEM?

☐ YES ☐ NO

☐ YES ☐ NO



## APPLICATION FOR SALES TAX EXEMPTION

- (6) DOES THE INSTITUTION HAVE A WRITTEN SCHEDULE OF FEES BASED ON INDIVIDUAL OR FAMILY INCOME? ☐ YES ☐ NO
- (7) ARE THE GOODS OR SERVICES PROVIDED FOR FREE OR AT A REDUCED PRICE OF COMPARABLE QUALITY AND QUANTITY TO THE GOODS OR SERVICES PROVIDED TO THOSE INDIVIDUALS WHO PAY A FEE GREATER THAN THE COST OF THE GOODS OR SERVICES? ☐ YES ☐ NO
- (8) WHAT IS THE INSTITUTION'S COST OF PROVIDING GOODS OR SERVICES TO RECIPIENTS OF GOVERNMENT PROGRAMS, INCLUDING MEDICARE AND MEDICAID? \_\_\_\_\_
- (9) DOES THE INSTITUTION PROVIDE GOODS OR SERVICES FOR FREE OR AT A REDUCED RATE TO GOVERNMENT AGENCIES? ☐ YES ☐ NO
- (10) DOES THE INSTITUTION PROVIDE GOODS OR SERVICES TO INDIVIDUALS ELIGIBLE FOR GOVERNMENT PROGRAMS? ☐ YES ☐ NO
- (11) WHAT IS THE INSTITUTION'S COST OF PROVIDING GOODS OR SERVICES TO INDIVIDUALS FOR WHOM THE INSTITUTION RECEIVES FEE-FOR-SERVICES PAYMENTS? \_\_\_\_\_
- (12) IS THE INSTITUTION LICENSED BY THE DEPARTMENT OF HEALTH OR THE DEPARTMENT OF PUBLIC WELFARE? ☐ YES ☐ NO
- (13) ATTACH A LISTING OF INSTITUTIONS AND THE REASONABLE VALUE OF THE CONTRIBUTION DONATED TO EACH INSTITUTION OF PURELY PUBLIC CHARITY OR A GOVERNMENTAL AGENCY.
- (14) ATTACH A LIST BY INSTITUTION OF THE REASONABLE VALUE OF ALL CONTRIBUTIONS RECEIVED BY YOUR ORGANIZATION FROM ANOTHER INSTITUTION OF PURELY PUBLIC CHARITY.

### PART 4 - FUNDRAISING ACTIVITIES

- (1) DOES THE INSTITUTION CONTRIBUTE A SUBSTANTIAL PORTION OF FUNDS RAISED ON BEHALF OF, OR SUPPLY GRANTS TO, AN ORGANIZATION THAT IS RECOGNIZED AS AN INSTITUTION OF PURELY PUBLIC CHARITY, A RELIGIOUS ORGANIZATION, OR A GOVERNMENTAL AGENCY? ☐ YES ☐ NO

ATTACH TO THE APPLICATION A LISTING OF THE NAMES OF ORGANIZATIONS WHO RECEIVE THE CONTRIBUTIONS AND THE AMOUNT OF EACH CONTRIBUTION.

### AUTHORIZED SIGNATURE

I, (WE) THE UNDERSIGNED, DECLARE UNDER THE PENALTIES OF PERJURY THAT THE STATEMENTS CONTAINED HEREIN ARE TRUE, CORRECT, AND COMPLETE.

SIGNATURE OF CORPORATE OFFICER \_\_\_\_\_

TITLE \_\_\_\_\_

TYPE OR PRINT NAME \_\_\_\_\_

DAYTIME TELEPHONE NUMBER \_\_\_\_\_

DATE \_\_\_\_\_

( )

PREPARER'S NAME - TYPE OR PRINT \_\_\_\_\_

DATE \_\_\_\_\_

DAYTIME TELEPHONE NUMBER \_\_\_\_\_

TITLE \_\_\_\_\_

( )

### MAIL COMPLETED APPLICATION TO:

PA DEPARTMENT OF REVENUE  
BUREAU OF BUSINESS TRUST FUND TAXES  
MISCELLANEOUS TAX DIVISION  
PO BOX 280909  
HARRISBURG, PA 17128-0909  
(717) 783-5473  
TT# 1-800-447-3020 (Services for taxpayers  
with special hearing and/or speaking needs).



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
BUREAU OF BUSINESS TRUST FUND TAXES  
PO BOX 280901  
HARRISBURG, PA 17128-0901

## PENNSYLVANIA EXEMPTION CERTIFICATE

### CHECK ONE:

- ☐ STATE OR LOCAL SALES AND USE TAX  
☐ STATE OR LOCAL HOTEL OCCUPANCY TAX  
☐ PUBLIC TRANSPORTATION ASSISTANCE TAXES AND FEES (PTA)  
☐ VEHICLE RENTAL TAX (VRT)

(Please Print or Type)

This form cannot be used to  
obtain a Sales Tax License  
Number, PTA License Number  
or Exempt Status.

Read Instructions  
On Reverse Carefully

**THIS FORM MAY BE PHOTOCOPIED – VOID UNLESS COMPLETE INFORMATION IS SUPPLIED**

- CHECK ONE:** ☐ PENNSYLVANIA TAX UNIT EXEMPTION CERTIFICATE (USE FOR ONE TRANSACTION)  
☐ PENNSYLVANIA TAX BLANKET EXEMPTION CERTIFICATE (USE FOR MULTIPLE TRANSACTIONS)

Name of Seller, Vendor, or Lessor

Street City State ZIP Code

**NOTE:** Do not use this form for claiming an exemption on the registration of a vehicle. To claim an exemption from tax for a motor vehicle, trailer, semi-trailer or tractor with the PA Department of Transportation, Bureau of Motor Vehicles, use one of the following forms:

FORM MV-1 Application for Certificate of Title (first time registrations)

FORM MV-4ST Vehicle Sales and Use Tax Return/Application for Registration (other registrations)

Property and services purchased or leased using this certificate are **exempt** from tax because: (Select the appropriate paragraph from the back of this form, check the corresponding block below and insert information requested.)

- ☐ 1. Property or services will be used directly and predominately by purchaser in performing purchaser's operation of \_\_\_\_\_
- ☐ 2. Purchaser is a/an: \_\_\_\_\_
- ☐ 3. Property will be resold under License Number \_\_\_\_\_. (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)
- ☐ 4. Purchaser is a/an: \_\_\_\_\_ holding Exemption Number \_\_\_\_\_
- ☐ 5. Property or services will be used directly and predominately by purchaser performing a public utility service.  
☐ PA Public Utility Commission PUC Number \_\_\_\_\_ and/or ☐ US Department of Transportation MC/MX \_\_\_\_\_
- ☐ 6. Exempt wrapping supplies, License Number \_\_\_\_\_. (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)
- ☐ 7. Other \_\_\_\_\_  
 (Explain in detail. Additional space on reverse side.)

I am authorized to execute this Certificate and claim this exemption. Misuse of this Certificate by seller, lessor, buyer, lessee, or their representative is punishable by fine and imprisonment.

Name of Purchaser or Lessee Signature EIN Date

Street City State ZIP Code

### 1. ACCEPTANCE AND VALIDITY:

For this certificate to be valid, the seller/lessor shall exercise good faith in accepting this certificate, which includes: (1) the certificate shall be completed properly; (2) the certificate shall be in the seller/lessor's possession within 60 days from the date of sale/lease; (3) the certificate does not contain information which is knowingly false; and (4) the property or service is consistent with the exemption to which the customer is entitled. For more information, refer to Exemption Certificates, Title 61 PA Code §32.2. An invalid certificate may subject the seller/lessor to the tax.

### 2. REPRODUCTION OF FORM:

This form may be reproduced but shall contain the same information as appears on this form.

### 3. RETENTION:

The seller or lessor must retain this certificate for at least four years from the date of the exempt sale to which the certificate applies.

**DO NOT RETURN THIS FORM TO THE PA DEPARTMENT OF REVENUE.**

### 4. EXEMPT ORGANIZATIONS:

This form may be used in conjunction with form REV-1715, Exempt Organization Declaration of Sales Tax Exemption, when a purchase of \$200 or more is made by an organization which is registered with the PA Department of Revenue as an exempt organization. These organizations are assigned an exemption number, beginning with the two digits 75 (example: 75-00000-0).

# GENERAL INSTRUCTIONS

Those purchasers set forth below may use this form in connection with the claim for exemption for the following taxes:

- a. State and Local Sales and Use Tax;
- b. PTA rental fee or tax on leases of motor vehicles;
- c. Hotel Occupancy Tax if referenced with the symbol (●);
- d. PTA fee on the purchase of tires if referenced with the symbol (+);
- e. Vehicle Rental Tax (VRT)

## EXEMPTION REASONS

1.) Property and/or services will be used directly and predominately by purchaser in performing purchaser's operation of:

- A. Manufacturing      B. Mining      C. Dairying      D. Processing      E. Farming      F. Shipbuilding

This exemption is not valid for property or services which are used in: (a) constructing, repairing, or remodeling of real property, other than real property which is used directly in exempt operations; or (b) maintenance, managerial, administrative, supervisory, sales, delivery, warehousing or other nonoperational activities. Effective October 1, 1991, this exemption does not apply to certain services and PTA tire fee.

2.) Purchaser is a/an:

- + A. Instrumentality of the Commonwealth.
- + B. Political subdivision of the Commonwealth.
- + ● C. Municipal Authority created under the "Municipality Authorities Acts".
- + ● D. Electric Cooperative Corporations created under the "Electric Cooperative Law of 1990".
- E. Cooperative Agricultural Associations required to pay Corporate Net Income Tax under the Cooperative Agricultural Association Corporate Net Income Tax Act (exemption not valid for registered vehicles).
- + ● F. Credit Unions organized under "Federal Credit Union Act" or Commonwealth "Credit Union Act".
- + ● G. United States Government, its agencies and instrumentalities.
- H. Federal employee on official business (Exemption limited to Hotel Occupancy Tax only. A copy of orders or statement from supervisor must be attached to this certificate.)
- I. School Bus Operator (This Exemption Certificate is limited to the purchase of parts, repairs or maintenance services upon vehicles licensed as school buses by the PA Department of Transportation. For purchase of school buses, see NOTE below.)

3.) Property and/or services will be resold or rented in the ordinary course of purchaser's business. If purchaser does not have a PA Sales Tax License Number, complete Number 7 explaining why such number is not required. This Exemption is valid for property or services to be resold: (1) in original form; or (2) as an ingredient or component of other property.

4.) **Renewable Entities beginning with the two numbers 75:**

- A. Religious Organization
- B. Volunteer Firemen's Organization
- C. Nonprofit Educational Institution
- D. Charitable Organization

**Permanent Exemptions beginning with the two numbers 76:**

- E. School District

**Special Exemptions:**

- F. Direct Pay Permit Holder
- + ● G. Individual Holding Diplomatic ID
- H. Keystone Opportunity Zone
- I. Tourist Promotion Agency

Exemption limited to purchase of tangible personal property or services for use and not for sale. The exemption shall not be used by a contractor performing services to real property. An exempt organization or institution shall have an exemption number assigned by the PA Department of Revenue and diplomats shall have an identification card assigned by the Federal Government. The exemption for categories "A, B, C and D" are not valid for property used for the following: (1) construction, improvement, repair or maintenance of any real property, except supplies and materials used for routine repair or maintenance of the real property; (2) any unrelated activities or operation of a public trade or business; or (3) equipment used to maintain real property.

5.) Property or services will be used directly and predominately by purchaser in the production, delivery, or rendition of public utility services as defined by the PA Utility Code.

This Exemption is not valid for property or services used for the following: (1) construction, improvement, repair or maintenance of real property, other than real property which is used directly in rendering the public utility services; or (2) managerial, administrative, supervisor, sales or other nonoperational activities; or (3) tools and equipment used but not installed in maintenance of facilities or direct use equipment. Tools and equipment used to repair "direct use" property are exempt from tax.

6.) Vendor/Seller purchasing wrapping supplies and nonreturnable containers used to wrap property which is sold to others.

7.) Other (Attach a separate sheet of paper if more space is required.)

---



---



---



---



---



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF REVENUE  
BUREAU OF BUSINESS TRUST FUND TAXES  
PO BOX 280901  
HARRISBURG, PA 17128-0901



## EXEMPT ORGANIZATION DECLARATION OF SALES TAX EXEMPTION

THIS FORM MAY BE PHOTOCOPIED

### INSTRUCTIONS:

Vendors may use this declaration to document purchases of tax free items by tax exempt organizations (charitable, religious and educational organizations and volunteer fire or ambulance companies) holding a valid exemption number issued by the Department of Revenue where the purchase is \$200 or more. The vendor may require the Customer's Declaration (below) for each such transaction to demonstrate that the vendor made the tax exempt sale "in good faith."

Complete each declaration in its entirety. Use a separate declaration for each transaction of \$200 or more. Accompany the declaration with an invoice and a properly completed Exemption Certificate (REV-1220), and maintain these documents for three years.

### CUSTOMER'S DECLARATION

As an authorized representative of a tax-exempt organization, I declare that the property and/or services purchased or leased in the name of the exempt organization set forth below, as described on the attached invoice, are being purchased for an exempt use under Pennsylvania Sales Tax law.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name/Title

(       )  
\_\_\_\_\_  
Phone No.

\_\_\_\_\_  
Name of Exempt Organization

\_\_\_\_\_  
Sales Tax Exemption No.  
(Must have a 75-prefix)

### VENDOR'S DECLARATION

I understand that this completed declaration must be kept in my records for three years from the purchase date. I understand that failure to provide the declaration to Revenue auditors could result in my liability for Sales Tax if the transaction is subsequently determined to be taxable.

Attached is Invoice No. \_\_\_\_\_ dated \_\_\_\_\_  
covering this exempt transaction.

\_\_\_\_\_  
Vendor's Signature

**SAMPLE FORMS:**

**NEW JERSEY**

**Application for New Jersey/New York State Simplified Sales and Use Tax Reporting**

This application should **only** be used by vendors located in New Jersey or New York State.

Read instructions below before completing — print or type (black or blue ink)

*State Tax Department use only*

1. Legal name of business from <i>Certificate of Authority</i> (owner's name, partners' names, or corporate name)							
2. Trade name or DBA, if different from above							
3. Physical location of place of business (number and street; see instructions)				NAICS .....			
4. City	State	ZIP code	5. County	6. Telephone number ( )			
<b>Note:</b> If you have more than one business location, attach a list of the additional locations. If you do not have a business location in New Jersey or New York State, do not use this application.							
7. Type of organization Individual <input type="checkbox"/> Partnership <input type="checkbox"/> LLC <input type="checkbox"/> Corporation <input type="checkbox"/>							
8. Mailing address (number and street if different from lines 3 and 4)				9. Describe in detail the type of business you operate:			
City	State	ZIP code					
10. Mark an <b>X</b> in one box only (see instructions)				9. Describe in detail the type of business you operate:			
<input type="checkbox"/> FEIN				<input type="checkbox"/> SSN			
11. Current sales tax registration numbers							
<input type="checkbox"/> New Jersey number				<input type="checkbox"/> New York State number			
12a. If your principal place of business is in New York, do you maintain a business location in New Jersey? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>							
12b. If your principal place of business is in New Jersey, do you maintain a business location in New York State? <span style="float:right"><input type="checkbox"/> Yes <input type="checkbox"/> No</span>							
The undersigned hereby applies for registration under the New Jersey/New York State Simplified Tax Reporting Program and understands that there will be an exchange of such information between New Jersey and New York State as may be necessary to register the vendor for the program and to administer the program. The undersigned agrees that upon approval of this registration, the vendor shall be subject to the laws of both New Jersey and New York State for sales and use tax purposes.							
13. I certify that the above statements are true. Signature _____							
Name _____		Title _____		Date ____ / ____ / ____			
(please print)		(owner, partner, or responsible officer)					

**Instructions**

1. Enter the exact legal name of the business being registered. If a sole proprietorship or partnership, enter legal name(s) of the owner(s).
2. Enter the trade or doing business as (DBA) name of the business if different from line 1.
- 3-6. Enter the actual physical location and telephone number of your principal place of business. If you have more than one place of business, **attach** a list of all such additional locations.
7. Mark an **X** in the box which applies to your type of business.
8. Enter the mailing address if different from lines 3 and 4.
9. Enter a description of your business activity. **New York State vendors** refer to Publication 910, *NAICS Codes for Principal Business Activity for New York State Tax Purposes*, for typical business descriptions.
10. Enter the federal employer identification number (FEIN). If you do not have an FEIN, enter the social security number (SSN) of the owner or financially responsible partner. Mark an **X** in the appropriate box to indicate which number you entered.
11. Enter the registration number from your *Certificate of Authority*. If you are registered in both states, enter both numbers. If you are not currently registered in either, enter **None**.
12. Answer either 12a or 12b by marking an **X** in the appropriate box. *Business location* includes office, corporate headquarters,

sales location, showroom, manufacturing facility, warehouse, or other owned or leased real property related to the business, whether or not sale or sales-related activities are carried on from that location.

13. The application must be signed and dated by the owner, a partner, or a responsible officer of the corporation.

**Mail the completed application to your home state:**

STATE OF NEW JERSEY  
DIVISION OF TAXATION  
PO BOX 264  
TRENTON NJ 08695-0264  
(609) 588-3764

NYS TAX DEPARTMENT  
SALES TAX REGISTRATION SECTION  
W A HARRIMAN CAMPUS  
ALBANY NY 12227  
1 800 698-2909

[www.state.nj.us/treasury/taxation](http://www.state.nj.us/treasury/taxation)

**Need help? (for NYS filers)**

**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)



**Fax-on-demand forms:**

1 800 748-3676



To order forms and publications:

1 800 462-8100

**Sales Tax Information Center:**

1 800 698-2909

From areas outside the U.S. and  
outside Canada:

(518) 485-6800



**Hearing and speech impaired**  
(telecommunications device for the  
deaf (TDD) callers only):

1 800 634-2110

**State of New Jersey  
DIVISION OF TAXATION**

**SALES TAX  
FORM ST-3**

The seller must collect the tax on a sale of taxable property or services unless the purchaser gives him a properly completed New Jersey exemption certificate.

PURCHASER'S NEW JERSEY  
TAXPAYER REGISTRATION NUMBER

**RESALE CERTIFICATE**

To be completed by purchaser and given to and retained by seller. See instructions on back.  
Seller should read and comply with the instructions given on both sides of an exemption certificate.

TO \_\_\_\_\_ Date \_\_\_\_\_  
(Name of Seller)

Address

City

State

Zip

The undersigned certifies that:

- (1) He holds a valid Certificate of Authority (number shown above) to collect State of New Jersey Sales and Use Tax.
- (2) He is principally engaged in the sale of (indicate nature of merchandise or service sold):
- (3) The merchandise or services being herein purchased are described as follows:
- (4) The **merchandise** described in (3) above is being purchased: *(check one or more of the blocks which apply)*
  - (a) ☐ For resale in its present form.
  - (b) ☐ For resale as converted into or as a component part of a product produced by the undersigned.
  - (c) ☐ For use in the performance of a taxable service on personal property, where the property which is the subject of this Certificate becomes part of the property being serviced or is later transferred to the purchaser of the service in conjunction with the performance of the service.
- (5) The services described in (3) above are being purchased: *(check the block which applies)*
  - (a) ☐ By a seller who will either collect the tax or will resell the services.
  - (b) ☐ To be performed on personal property held for sale.

I, the undersigned purchaser, have read and complied with the instructions and rules promulgated pursuant to the New Jersey Sales and Use Tax Act with respect to the use of the Resale Certificate, and it is my belief that the seller named herein is not required to collect the sales or use tax on the transaction or transactions covered by this Certificate. The undersigned purchaser hereby swears under the penalties for perjury and false swearing that all of the information shown in this Certificate is true.

NAME OF PURCHASER

(as registered with the New Jersey Division of Taxation)

(Address of Purchaser)

By

(Signature of owner, partner, officer of corporation, etc.)

(Title)

## INSTRUCTIONS FOR USE OF RESALE CERTIFICATES - ST-3

1. **Good Faith** - To act in good faith means to act in accordance with standards of honesty. In general, registered sellers who accept exemption certificates in good faith are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate.

In order for good faith to be established, the following conditions must be met:

- (a) Certificate must contain no statement or entry which the seller knows is false or misleading;
- (b) Certificate must be an official form or a proper and substantive reproduction, including electronic;
- (c) Certificate must be filled out completely;
- (d) Certificate must be dated and include the purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number; and
- (e) Certificate or required data must be provided within 90 days of the sale.

The seller may, therefore, accept this certificate in good faith as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption.

2. **Improper Certificate** - Sales transactions which are not supported by properly executed exemption certificates are deemed to be taxable retail sales. In this situation, the burden of proof that the tax was not required to be collected is upon the seller.
3. **Correction of Certificate** - In general, sellers have 90 days after date of sale to obtain a corrected certificate where the original certificate lacked material information required to be set forth in said certificate or where such information is incorrectly stated.
4. **Additional Purchases by Same Purchaser** - This certificate will serve to cover additional purchases by the same purchaser of the same general type of property. However, each subsequent sales slip or purchase invoice based on this Certificate must show the purchaser's name, address and New Jersey, Federal, or out of state registration number for purpose of verification.
5. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection on or before the 90th day following the date of the transaction to which the certificate relates.

### EXAMPLES OF PROPER USE OF RESALE CERTIFICATE

- a. A retail household appliance store owner issues a Resale Certificate when purchasing household appliances from a supplier for resale.
- b. A furniture manufacturer issues a Resale Certificate to cover the purchase of lumber to be used in manufacturing furniture for sale.
- c. An automobile service station operator issues a Resale Certificate to cover the purchase of auto parts to be used in repairing customer cars.

### EXAMPLES OF IMPROPER USE OF RESALE CERTIFICATE

In the examples below, the seller should not accept Resale Certificates, but should insist upon payment of the sales tax.

- a. A lumber dealer can not accept a Resale Certificate from a tire dealer who is purchasing lumber for use in altering his premises.
- b. A distributor may not issue a Resale Certificate on purchases of cleaning supplies and other materials for his own office maintenance, even though he is in the business of distributing such supplies.
- c. A retailer may not issue a Resale Certificate on purchases of office equipment for his own use, even though he is in the business of selling office equipment.
- d. A supplier can not accept a Resale Certificate from a service station owner who purchases tools and testing equipment for use in his business.

REPRODUCTION OF RESALE CERTIFICATE FORMS: Private reproduction of both sides of Resale Certificates may be made without the prior permission of the Division of Taxation.

### FOR MORE INFORMATION:

Call the Customer Service Center (609) 292-6400. Send an e-mail to [nj.taxation@treas.state.nj.us](mailto:nj.taxation@treas.state.nj.us). Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

State of New Jersey  
**DIVISION OF TAXATION**  
**SALES TAX**

**Form ST-3NR**

**RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS**

For use **ONLY** by out-of-state sellers not required to be registered in New Jersey

**THIS FORM IS NOT VALID UNLESS COMPLETED IN ITS ENTIRETY.**

Please read and comply with instructions on both sides of this certificate.

---

**SELLER**

Name \_\_\_\_\_

Address \_\_\_\_\_

New Jersey Tax Registration Number \_\_\_\_\_

**PURCHASER**

Name \_\_\_\_\_

Business Location \_\_\_\_\_

State(s) of Registration \_\_\_\_\_

Out-of-State Registration Number(s) \_\_\_\_\_

Type of Business (e.g., retailer, wholesaler, manufacturer, repair shop) \_\_\_\_\_

Description of Item(s) Sold, Serviced or Leased: \_\_\_\_\_

Description of Item(s) Purchased: \_\_\_\_\_

This merchandise or service is being purchased for (check applicable item)

- ☐ Resale in its present form
- ☐ Resale as a physical component of a product produced or repaired by the purchaser
- ☐ Lease (outside New Jersey)

---

The purchaser certifies it has no place of business, employees, independent contractors, service activities, or leased tangible personal property in New Jersey, is not required to be registered with the New Jersey Division of Taxation, and in fact is not registered with the New Jersey Division of Taxation.

The purchaser further certifies that if any property purchased tax free is used or consumed by the purchaser in New Jersey making it subject to New Jersey sales and use tax, the purchaser will pay the proper tax to the Division of Taxation.

Under penalties of perjury I swear or affirm that the information on this form is true and correct to the best of my knowledge.

Print Name \_\_\_\_\_

Authorized Signature \_\_\_\_\_  
(Owner, Partner, Corporate Officer)

Title \_\_\_\_\_ Date \_\_\_\_\_

Address (if different from above) \_\_\_\_\_  
\_\_\_\_\_

**INSTRUCTIONS FOR USE OF RESALE CERTIFICATES  
FOR NON-NEW JERSEY SELLERS ST-3NR**

1. **Good Faith** - To act in good faith means to act in accordance with standards of honesty. In general, registered sellers who accept exemption certificates in good faith are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate.

In order for good faith to be established, the following conditions must be met:

- (a) Certificate must contain no statement or entry which the seller knows is false or misleading;
- (b) Certificate must be an official form or a proper and substantive reproduction, including electronic;
- (c) Certificate must be filled out completely;
- (d) Certificate must be dated and include the purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number; and
- (e) Certificate or required data must be provided within 90 days of the sale.

The seller may, therefore, accept this certificate in good faith as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption.

2. **Improper Certificate** - Sales transactions which are not supported by properly executed exemption certificates are deemed to be taxable retail sales. In this situation, the burden of proof that the tax was not required to be collected is upon the seller.
3. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the sale covered by the certificate.

**EXAMPLES OF PROPER USE OF RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS**

- (a) A craftsman registered in Pennsylvania as a retail and wholesale seller of furniture comes to New Jersey to purchase lumber which he will use in making furniture.
- (b) A merchant registered as a retail seller of books in Connecticut purchases books for his inventory from a New Jersey dealer and sends his employee to pick up the merchandise.
- (c) A computer store owner registered as a retailer in Wisconsin purchases canned software for her inventory while attending a trade show in New Jersey, and carries it away from the show herself.

**EXAMPLES OF IMPROPER USE OF RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS**

- (a) A lumber dealer may not accept an ST-3NR from a contractor who intends to use it in working on his customers' real property, because under New Jersey law, contractors are considered to be the retail purchasers of the construction materials that they use.
- (b) A bookseller may not accept an ST-3NR from a doctor who is purchasing books for patients to read in her waiting room, because this would not be a purchase for resale.
- (c) A candy wholesaler may not accept an ST-3NR from a purchaser who shows a New Jersey store address on the form, because this information would give the seller reason to believe that the purchaser should be registered in New Jersey.
- (d) A plant nursery may not accept an ST-3NR from a New York florist who requests delivery of the plants by common carrier to his New York location, because this would not be a New Jersey sale.

**REPRODUCTION OF RESALE CERTIFICATE FORMS:** Private reproduction of both sides of resale certificates may be made without the prior permission of the Division of Taxation.

**FOR MORE INFORMATION:**

Call the Customer Service Center (609) 292-6400. Send an e-mail to [nj.taxation@treas.state.nj.us](mailto:nj.taxation@treas.state.nj.us). Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

ST-4 (4-08, R-13)

State of New Jersey  
DIVISION OF TAXATION

SALES TAX

FORM ST-4

ELIGIBLE NONREGISTERED  
PURCHASER: SEE INSTRUCTIONS \*\*

PURCHASER'S NEW JERSEY  
TAXPAYER REGISTRATION NUMBER

**EXEMPT USE CERTIFICATE**

To be completed by purchaser and given to and retained by seller.  
Please read and comply with the instructions given on both sides of this certificate.

TO \_\_\_\_\_ Date \_\_\_\_\_  
(Name of Seller)

Address

City

State

Zip

The undersigned certifies that there is no requirement to pay the New Jersey Sales and/or Use Tax on the purchase or purchases covered by this Certificate because the tangible personal property or services purchased will be used for an exempt purpose under the Sales & Use Tax Act.

The tangible personal property or services will be used for the following exempt purpose:

The exemption on the sale of the tangible personal property or services to be used for the above described exempt purpose is provided in subsection N.J.S.A. 54:32B- \_\_\_\_\_ (See reverse side for listing for principal exempt uses of tangible personal property or services and fill in the block with proper subsection citation).

I, the undersigned purchaser, have read and complied with the instructions and rules promulgated pursuant to the New Jersey Sales and Use Tax Act with respect to the use of the Exempt Use Certificate, and it is my belief that the seller named herein is not required to collect the sales or use tax on the transaction or transactions covered by this Certificate. The undersigned purchaser hereby swears under the penalties for perjury and false swearing that all of the information shown in this Certificate is true.

NAME OF PURCHASER

(as registered with the New Jersey Division of Taxation)

(Address of Purchaser)

By

(Signature of owner, partner, officer of corporation, etc.)

(Title)

**MAY BE REPRODUCED**  
(Front & Back Required)



#### INSTRUCTIONS FOR USE OF EXEMPT USE CERTIFICATES - ST-4

1. **Good Faith** - To act in good faith means to act in accordance with standards of honesty. In general, registered sellers who accept exemption certificates in good faith are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate.

In order for good faith to be established, the following conditions must be met:

- (a) Certificate must contain no statement or entry which the seller knows is false or misleading;
- (b) Certificate must be an official form or a proper and substantive reproduction, including electronic;
- (c) Certificate must be filled out completely;
- (d) Certificate must be dated and include the purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number; and
- (e) Certificate or required data must be provided within 90 days of the sale.

The seller may, therefore, accept this certificate in good faith as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption.

2. **Improper Certificate** - Sales transactions which are not supported by properly executed exemption certificates are deemed to be taxable retail sales. In this situation, the burden of proof that the tax was not required to be collected is upon the seller.
3. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection on or before the 90th day following the date of the transaction to which the certificate relates.
4. **Common exempt uses** of property or services for which the ST-4 is applicable follow.

**NOTE:** The descriptions are general and do not necessarily cover every exempt use or service or every condition for exemption. Further information is available from the Division of Taxation.

- Sales of machinery and equipment for use directly and primarily in the production of property by manufacturing, processing, assembling or refining. N.J.S.A. 54:32B-8.13a.
- Sales of equipment to a telecommunication service provider subject to the jurisdiction of the BPU or the FCC for use directly and primarily in providing interactive telecommunications services for sale. N.J.S.A. 54:32B-8.13c.
- Sales of tangible personal property for use directly and exclusively in experimental research and development in the laboratory sense. N.J.S.A. 54:32B-8.14.
- Sales of wrapping materials or non-returnable containers for use in the delivery of tangible personal property or sales of containers for use in a farming enterprise. N.J.S.A. 54:32B-8.15.
- Sales of busses to regulated bus companies for public passenger transportation or to carriers for use in school children transportation services. N.J.S.A. 54:32B-8.28.
- Sales of equipment for use directly and primarily in the production department of a newspaper plant or for use in the production of property for sale by a commercial printer. N.J.S.A. 54:32B-8.29.
- Sales of advertising material to be published in a newspaper. N.J.S.A. 54:32B-8.30.
- Sales of aircraft or repair services to an "air carrier," and repairs to certain business aircraft, including machinery or equipment installed on such. N.J.S.A. 54:32B-8.35.
- Sales of equipment used exclusively to sort and prepare solid waste for recycling or in recycling (does not include motor vehicles). N.J.S.A. 54:32B-8.36.
- Sales of printed advertising materials for out-of-state distribution and sales of direct-mail processing services rendered in connection with the distribution of such materials to out-of-state recipients. N.J.S.A. 54:32B-8.39.
- Sales of commercial trucks, truck tractors and semi-trailers which are properly registered and 1) have a gross vehicle weight rating in excess of 26,000 pounds; or 2) are operated actively and exclusively for the carriage of interstate freight under a certificate or permit issued by the Interstate Commerce Commission; or 3) are registered as a farm vehicle under the Motor Vehicle Statute (N.J.S.A. 39:3-24 and 25) and have a gross vehicle weight rating in excess of 18,000 pounds. N.J.S.A. 54:32B-8.43.
- Sales of machinery and equipment used directly and primarily in producing broadcast programming or cable/satellite television programming. N.J.S.A. 54:32B-8.13e.
- Sales of tangible property for use directly and primarily in the production of film or video for sale, including motor vehicles, parts, supplies and services to such property.. N.J.S.A. 54:32B-8.49.
- Sales of commercial ships and charges for components, repair and alteration services for commercial ships. N.J.S.A. 54:32B-8.12.

5. **Eligible Nonregistered Purchaser** - If the purchaser is not required to be registered for sales and use tax purposes in New Jersey, in the box at the top, left corner of the form marked "Eligible Nonregistered Purchaser" the purchaser is required to place one of the following in order of preference: 1) the Federal Identification Number of the business; 2) out of state registration number.

Private reproduction of both sides of the Exempt Use Certificates may be made without the prior permission of the Division of Taxation.

#### FOR MORE INFORMATION:

Call the Customer Service Center (609) 292-6400. Send an e-mail to [nj.taxation@treas.state.nj.us](mailto:nj.taxation@treas.state.nj.us). Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

ST-8 (1-08, R-12)

State of New Jersey  
DIVISION OF TAXATION

SALES TAX  
FORM ST-8

CERTIFICATE OF EXEMPT  
CAPITAL IMPROVEMENT

To be completed by both owner of real property and contractor, and retained by contractor. Read instructions on back of this certificate. Do not send this form to the Division of Taxation.

A registered New Jersey contractor must collect the tax on the amount charged for labor, and services under the contract unless the owner gives him a properly completed Certificate of Exempt Capital Improvement.

MAY BE ISSUED ONLY BY THE OWNER OF THE REAL PROPERTY  
MAY NOT BE ISSUED FOR THE PURCHASE OF MATERIALS

\_\_\_\_\_  
(Name of Contractor)

\_\_\_\_\_  
(Address of Contractor)

\_\_\_\_\_  
(Contractor's New Jersey Certificate of Authority Number)

THE FOLLOWING INFORMATION MUST BE FURNISHED:

The nature of the contract is as follows (describe the exempt capital improvement to be made): \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The address or location where work is to be performed: \_\_\_\_\_

\_\_\_\_\_  
TOTAL AMOUNT OF CONTRACT \$ \_\_\_\_\_

The undersigned hereby certifies that he is not required to pay sales and use tax with respect to charges for installation of tangible personal property, because the performance of the contract will result in an exempt capital improvement to real property. The undersigned purchaser hereby affirms (under the penalties for perjury and false swearing) that all of the information shown in this Certificate is true.

CONTRACTOR'S CERTIFICATION

I certify that all sales and use tax due has been or will be paid by the undersigned on purchases of materials incorporated or consumed in the performance of the contract described herein.

\_\_\_\_\_  
(Signature of Contractor)

\_\_\_\_\_  
(Date)

PROPERTY OWNER'S SIGNATURE

\_\_\_\_\_  
(Name of owner of real property)

\_\_\_\_\_  
(Address of owner of real property)

By \_\_\_\_\_

\_\_\_\_\_  
(Signature of owner, partner,  
officer of corporation, etc.)

\_\_\_\_\_  
(Date)

Any person making representations on this certificate which are willfully false may be subject to such penalties as may be provided for by law.

## INSTRUCTIONS

### TO THE PROPERTY OWNER:

In cases where the contractor performs work which results in an *exempt capital improvement* to your house or land (real property), he may NOT charge you any sales tax if you issue to him a properly completed Certificate of Exempt Capital Improvement (Form ST-8).

It is important to distinguish between an exempt capital improvement and a taxable capital improvement, repair or installation. If the fulfillment of a contract only maintains the existing value of the property, it is a repair and not a capital improvement. Where an improvement results in an increase in the capital value of the real property, it is generally considered that a capital improvement has been performed. (But see below list of taxable capital improvements.)

As an aid to determine whether a contract is for a repair to real property or a capital improvement to real property, the treatment of such transaction for income tax purposes under the Federal Internal Revenue Code may be used as a guide. If you have any doubt whether the work to be performed constitutes a repair or an exempt capital improvement, you should communicate with the Division of Taxation and describe in detail such work.

The following are examples of *exempt* capital improvements:

New construction (other than taxable capital improvements listed below)	Porch enclosure, construction of	Paneling, installation of
In-ground swim pool, installation of	New roof, installation of	New heating system installation
New central air conditioner installation	Tiled bath, installation of	Rewiring
Painting a newly constructed house	New bath fixtures, installation of	New electrical outlets installed
New hot water heater installation	New kitchen cabinets, installation of	New siding, installation of
Patio, construction of	New kitchen fixtures, installation of	Garage, construction of
	Paving of driveway	Storm doors and windows, original or initial installation of

The following are examples of *taxable* capital improvements. This form cannot be issued for these services, which are subject to sales tax on and after October 1, 2006:

- Seeding, sodding, grass plugging of new lawns, planting trees, shrubs, hedges, plants, etc.
- Clearing and filling land associated with seeding, sodding, grass plugging of new lawns, or planting trees, shrubs, hedges, plants, etc., including tree/stump removal
- Installing carpeting and other flooring
- Installing a hard-wired security, burglar or fire alarm system

### TO THE CONTRACTOR:

If you enter into a contract to add to or improve real property by an exempt capital improvement (see examples above) and the property owner issues to you a properly completed Certificate of Exempt Capital Improvement, which you must retain, you should not collect sales tax from the property owner. (You are required to pay sales tax to your supplier on the purchase of the tangible personal property you purchase for use in performing the contract irrespective of whether the work constitutes a repair or a capital improvement.)

However, if you enter into a contract to repair, maintain, or service real or tangible personal property, or to install a taxable capital improvement, you must collect tax on the charge for labor or services performed in accordance with the contract.

### GOOD FAITH:

**Good Faith-** To act in good faith means to act in accordance with standards of honesty. In general, registered sellers who accept exemption certificates in good faith are relieved of liability for the collection and payment of sales tax on the transaction covered by the exemption certificate.

In order for good faith to be established, the following conditions must be met:

- (a) Certificate must contain no statement or entry which the seller knows is false or misleading;
- (b) Certificate must be an official form or a proper and substantive reproduction, including electronic;
- (c) Certificate must be filled out completely;
- (d) Certificate must be dated and include the purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number; and
- (e) Certificate or required data must be provided within 90 days of the sale.

The contractor may, therefore, under the circumstances, accept this "good faith" Certificate of Exempt Capital Improvement as a basis for not collecting sales tax with respect to service or labor charges.

Sales transactions which are not supported by properly executed certificates shall be deemed to be taxable sales and the contractor must collect the proper tax. In the case of an improper certificate or the absence of a certificate, the burden of proof that the tax was not required to be collected is upon the contractor. If the above listed good faith requirements are met, a contractor is relieved of liability if the purchaser was not entitled to the exemption.

### CORRECTION OF CERTIFICATE:

In general, contractors have 90 days after performance of the contract to obtain a corrected certificate where the original certificate lacked material information required to be set forth in said certificate or where such information is incorrectly stated.

### RETENTION OF CERTIFICATES:

Certificates must be retained by the contractor for a period of not less than four years from the date of performance of the contract covered by the certificate. Certificates must be in the physical possession of the contractor and available for inspection on or before the 90th day following the date of the transaction to which the certificate relates.

### FOR MORE INFORMATION:

Call the Customer Service Center (609) 292-6400. Send an e-mail to [nj.taxation@treas.state.nj.us](mailto:nj.taxation@treas.state.nj.us). Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

**UNIFORM SALES & USE TAX CERTIFICATE—MULTIJURISDICTION**

The below-listed states have indicated that this form of certificate is acceptable, subject to the notes on pages 2 - 4. The issuer and the recipient have the responsibility of determining the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: \_\_\_\_\_

Address: \_\_\_\_\_

I certify that: \_\_\_\_\_ is engaged as a registered

Name of Firm (Buyer): \_\_\_\_\_ Wholesaler \_\_\_\_\_

Address \_\_\_\_\_ Retailer \_\_\_\_\_

Manufacturer \_\_\_\_\_

Seller (California) \_\_\_\_\_

Lessor (see notes \_\_\_\_\_

on pages 2 - 4) \_\_\_\_\_

Other (Specify) \_\_\_\_\_

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product or service<sup>1</sup> to be resold, leased, or rented in the normal course of business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

Description of Business: \_\_\_\_\_

General description of tangible property or taxable services to be purchased from the seller: \_\_\_\_\_

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit or ID Number of Purchaser
AL <sup>2</sup>	_____	NE <sup>14</sup>	_____
AR	_____	NV	_____
CA <sup>3</sup>	_____	NJ	_____
CO <sup>1</sup>	_____	NM <sup>1,15</sup>	_____
DC <sup>4</sup>	_____	ND	_____
GA <sup>5</sup>	_____	OK <sup>16</sup>	_____
HI <sup>1,6</sup>	_____	RI <sup>17</sup>	_____
ID	_____	SC <sup>1</sup>	_____
IL <sup>1,7</sup>	_____	SD <sup>18</sup>	_____
IA	_____	TN	_____
KS <sup>8</sup>	_____	TX <sup>19</sup>	_____
ME <sup>9</sup>	_____	UT	_____
MD <sup>10</sup>	_____	VT <sup>1</sup>	_____
MI <sup>11</sup>	_____	WA <sup>20</sup>	_____
MN <sup>12</sup>	_____	WI <sup>17</sup>	_____
MO <sup>13</sup>	_____		

I further certify that if any property or service so purchased tax free is used or consumed by the firm as to make it subject to a Sales or Use Tax we will pay the tax due directly to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: \_\_\_\_\_  
(Owner, Partner or Corporate Officer)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## INSTRUCTIONS REGARDING UNIFORM SALES & USE TAX CERTIFICATE

### To Seller's Customers:

In order to comply with the majority of state and local sales tax law requirements, the seller must have in its files a properly executed exemption certificate from all of its customers who claim a sales tax exemption. If the seller does not have this certificate, it is obliged to collect the tax for the state in which the property or service is delivered.

If the buyer is entitled to sales tax exemption, the buyer should complete the certificate and send it to the seller at its earliest convenience. If the buyer purchases tax free for a reason for which this form does not provide, the buyer should send the seller its special certificate or statement.

### Caution to Seller:

In order for the certificate to be accepted in good faith by the seller, seller must exercise care that the property or service being sold is of a type normally sold wholesale, resold, leased, rented or incorporated as an ingredient or component part of a product manufactured by buyer and then resold in the usual course of its business. A seller failing to exercise due care could be held liable for the sales tax due in some states or cities. Misuse of this certificate by seller, lessor, buyer, lessee, or the representative thereof may be punishable by fine, imprisonment or loss of right to issue certificate in some states or cities.

### Notes:

- 1 The states of Colorado, Hawaii, Illinois, New Mexico, South Carolina and Vermont do not permit the use of this certificate to claim a resale exemption for the purchase of a taxable service for resale.
- 2 Alabama: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.
- 3 California:
  - A. This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Title 18, California Code of Regulations, Section 1668 (Sales and Use Tax Regulation 1668, Resale Certificates).
  - B. By use of this certificate, the purchaser certifies that the property is purchased for resale in the regular course of business in the form of tangible personal property, which includes property incorporated as an ingredient or component part of an item manufactured for resale in the regular course of business.
  - C. When the applicable tax would be sales tax, it is the seller who owes that tax unless the seller takes a timely and valid resale certificate in good faith.
  - D. A valid resale certificate is effective until the issuer revokes the certificate.
- 4 District of Columbia: This certificate is not valid as an exemption certificate. It is not valid as a resale certificate unless it contains the purchaser's D.C. sales and use tax registration number.
- 5 Georgia: The purchaser's state of registration number will be accepted in lieu of Georgia's registration number when the purchaser is located outside Georgia, does not have nexus with Georgia, and the tangible personal property is delivered by drop shipment to the purchaser's customer located in Georgia.
- 6 Hawaii allows this certificate to be used to claim a lower general excise tax rate rather than an exemption. If the lower rate does not in fact apply to the sale, the purchaser is liable to pay the seller the additional tax imposed. See Hawaii Dept. of Taxation Tax Information Release No. 93-5, November 10, 1993.
- 7 Use of this certificate in Illinois is subject to the provisions of 86 Ill. Adm. Code Ch. I, Sec. 130.1405. Illinois does not have an exemption on sales of property for subsequent lease or rental, nor does the use of this certificate for claiming resale purchases of services have any application in Illinois.

The registration number to be supplied next to Illinois on page 1 of this certificate must be the Illinois registration or resale number; no other state's registration number is acceptable.

"Good faith" is not the standard of care to be exercised by a retailer in Illinois. A retailer in Illinois is not required to determine if the purchaser actually intends to resell the item. Instead, a retailer must confirm that the purchaser has a valid registration or resale number at the time of purchase. If a purchaser fails to provide a certificate of resale at the time of sale in Illinois, the seller must charge the purchaser tax.

While there is no statutory requirement that blanket certificates of resale be renewed at certain intervals, blanket certificates should be updated periodically, and no less frequently than every three years.

- 8 Kansas: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.
- Contractors, subcontractors, and repairmen shall be responsible for collecting and remitting sales tax on taxable services performed for other contractors. Each contractor, subcontractor or repairman shall not purchase or sell services exempt from sales tax under a resale exemption certificate.
- 9 Maine does not have an exemption on sales of property for subsequent lease or rental.
- 10 Maryland: This certificate is not valid as an exemption certificate. However, vendors may accept resale certificates that bear the exemption number issued to a religious organization. Exemption certifications issued to religious organizations consist of 8 digits, the first two of which are always "29".
- 11 Michigan: Effective for a period of three years unless a lesser period is mutually agreed to and stated on this certificate. Covers all exempt transfers when accepted by the seller in "good faith" as defined by Michigan statute.
- 12 Minnesota: A. Does not allow a resale exemption for purchases of taxable services for resale in most situations.  
B. Allows an exemption for items used only once during production and not used again.
- 13 Missouri: A. Purchasers who improperly purchase property or services sales tax free using this certificate may be required to pay the tax, interest, additions to tax or penalty.  
B. Even if property is delivered outside Missouri, facts and circumstances may subject it to Missouri tax, contrary to the second sentence of the first paragraph of the above instructions.
- 14 Nebraska: A blanket certificate is valid 3 years from the date of issuance.
- 15 New Mexico will accept, in lieu of a nontaxable transaction certificate and as evidence of the deductibility of a sale of tangible personal property, this certificate only when the following conditions exist:
- Both the seller and purchaser are located outside New Mexico;
  - The seller maintains sufficient nexus within New Mexico to be subject to the New Mexico gross receipts tax on its transaction in or into New Mexico;
  - The purchaser request that the seller deliver or "drop-ship" the tangible personal property to the purchaser's customer in New Mexico.
- 16 Oklahoma would allow this certificate in lieu of a copy of the purchaser's sales tax permit as one of the elements of "properly completed documentation" which is one of the three requirements which must be met prior to the vendor being relieved of liability. The other two requirements are that the vendor must have the certificate in his possession at the time the sale is made and must accept the documentation in good faith. The specific documentation required under OAC 710:65-7-6 is:
- Sales tax permit information may consist of:
    - A copy of the purchaser's sales tax permit; or
    - In lieu of a copy of the permit, obtain the following:
      - Sales tax permit number; and
      - The name and address of the purchaser;
  - A statement that the purchaser is engaged in the business of reselling the articles purchased;
  - A statement that the articles purchased are purchased for resale;
  - The signature of the purchaser or a person authorized to legally bind the purchaser; and
  - Certification on the face of the invoice, bill or sales slip or on separate letter that said purchaser is engaged in reselling the articles purchased.
- Absent strict compliance with these requirements, Oklahoma holds a seller liable for sales tax due on sales where the claimed exemption is found to be invalid, for whatever reason, unless the Tax Commission determines that purchaser should be pursued for collection of the tax resulting from improper presentation of a certificate.
- 17 Rhode Island and Wisconsin allow this certificate to be used to claim a resale exemption only when the item will be resold in the same form. They do not permit this certificate to be used to claim any other type of exemption.

- 18 South Dakota: Services which are purchased by a service provider and delivered to a current customer in conjunction with the services contracted to be provided to the customer are considered to be for resale. Receipts from the sale of a service for resale by the purchaser are not subject to sales tax if the purchaser furnishes a resale certificate which the seller accepts in good faith. In order for the transaction to be a sale for resale, the following conditions must be present:
- (1) The service is purchased for or on behalf of a current customer;
  - (2) The purchaser of the service does not use the service in any manner; and
  - (3) The service is delivered or resold to the customer without any alteration or change.
- 19 Texas: Items purchased for resale must be for resale within the geographical limits of the United States, its territories and possessions.
- 20 Washington: A. Blanket resale certificates must be renewed at intervals not to exceed four years;  
B. This certificate may be used to document exempt sales of "chemicals to be used in processing an article to be produced for sale."  
C. Buyer acknowledges that the misuse of the resale privilege claimed on the certificate is subject to the legally prescribed penalty of fifty percent of the tax due, in addition to the tax, interest, and any other penalties imposed by law.

**SAMPLE FORMS:**

**NEW YORK**



# Resale Certificate

☐ **Single-use certificate**    ☐ **Blanket certificate**    Date issued \_\_\_\_\_  
Temporary vendors must issue a single-use certificate.

**Seller information - please type or print**

Seller's name		
Address		
City	State	ZIP code

**Purchaser information - please type or print**

I am engaged in the business of \_\_\_\_\_ and principally sell \_\_\_\_\_  
(Contractors may not use this certificate to purchase materials and supplies.)

**Part 1 - To be completed by registered New York State sales tax vendors**

**I certify that I am:**

- ☐ a New York State vendor (including a hotel operator or a dues or admissions recipient), show vendor or entertainment vendor. My valid Certificate of Authority Number is \_\_\_\_\_
- ☐ a New York State temporary vendor. My valid Certificate of Authority Number is \_\_\_\_\_ and expires on \_\_\_\_\_

**I am purchasing:**

- A** ☐ Tangible personal property (other than motor fuel or diesel motor fuel)
- for resale in its present form or for resale as a physical component part of tangible personal property;
  - for use in performing taxable services where the property will become a physical component part of the property upon which the services will be performed, or the property will actually be transferred to the purchaser of the taxable service in conjunction with the performance of the service, or
- B** ☐ A service for resale, including the servicing of tangible personal property held for sale.

**Part 2 - To be completed by non-New York State purchasers**

I **certify that I am** not registered nor am I required to be registered as a New York State sales tax vendor. I am registered to collect sales tax or value added tax (VAT) in the following state/jurisdiction \_\_\_\_\_, and have been issued the following registration number \_\_\_\_\_. (If sales tax or VAT registration is not required and a registration number is not issued by your home jurisdiction, indicate the location of your business and write **not applicable** on the line requesting the registration number.)

**I am purchasing:**

- C** ☐ Tangible personal property (other than motor fuel or diesel motor fuel) for resale, and it is being delivered directly by the seller to my customer or to an unaffiliated fulfillment services provider in New York State.
- D** ☐ Tangible personal property for resale that will be resold from a business located outside New York State.

### Part 3 - Certification

**I, the purchaser, understand that:**

- I may not use this certificate to purchase items or services that are not for resale.
- If I purchase tangible personal property or services for resale, but I use or consume the tangible personal property or services myself in New York State, I must report and pay the unpaid tax directly to New York State.
- I will incur tax liabilities, in addition to penalty and interest, for any misuse of this certificate.

*Please type or print*

Purchaser's name as it appears on the sales tax registration			Name of owner, partner, or officer of corporation, authorizing the purchase		
Street address			Purchaser's signature		
City	State	ZIP code	Title		

**Substantial penalties will result from misuse of this certificate.**

## Instructions For Use of Resale Certificates

Form ST-120, *Resale Certificate*, is a sales tax exemption certificate. **This certificate is only for use by a purchaser who:**

- A** - is registered as a New York State sales tax vendor and has a valid Certificate of Authority issued by the Tax Department and is making purchases of tangible personal property (other than motor fuel or diesel motor fuel) or services that will be resold or transferred to the purchaser's customers, **or**
- B** - is not required to be registered with the New York State Tax Department;
  - is registered with another state, the District of Columbia, a province of Canada, or other country, or is located in a state, province, or country which does not require sellers to register for sales tax or VAT purposes; and
  - is purchasing items for resale that will be either:
    - 1) delivered by the seller to the purchaser's customer or to an unaffiliated fulfillment service provider located in New York State, or
    - 2) delivered to the purchaser in New York State, but resold from a business located outside the state.

**Note:** For purposes of 1) above, delivery by the seller includes delivery in the seller's own vehicle or by common carrier, regardless of who arranges for the transportation.

If, among other things, a purchaser has any place of business or salespeople in New York State, or owns or leases tangible personal property in the State, the purchaser is required to be registered in New York State. If you need help determining if you are required to register because you engage in some other activity in the State, contact the Department (see the **Need Help** section). However, a purchaser who is not otherwise required to be registered in New York may purchase fulfillment services from an unaffiliated New York fulfillment service provider and have its tangible personal property located on the premises of the provider without being required to be registered in New York State.

If you meet the registration requirements and engage in business activities in New York State without possessing a valid Certificate of Authority, you will be subject to penalty of up to \$500 for the first day on which you make a sale or purchase, and up to \$200 for each additional day, up to a maximum of \$10,000.

### Limitations on use

Contractors cannot use this certificate. They must either:

- issue Form ST-120.1, *Contractors Exempt Purchase Certificate*, if the tangible personal property being purchased qualifies for exemption as specified by the certificate, or
- issue Form AU-297, *Direct Payment Permit*, or
- pay sales tax at the time of purchase.

Contractors are entitled to a refund or credit of sales tax paid on materials used in repairing, servicing or maintaining real property, if the materials are transferred to the purchaser of the taxable service in conjunction with the performance of the service. For additional information, see Publication 862, *Sales and Use Tax Classifications of Capital Improvements and Repairs to Real Property*.

### To the Purchaser

Enter all the information requested on the front of this form.

You may check the *Blanket certificate* box to cover all purchases of the same general type of property or service purchased for resale. If you do not check the *Blanket certificate* box, the certificate will be deemed a *Single-use certificate*. Temporary

vendors may not issue a blanket certificate. A temporary vendor is a vendor (other than a show or entertainment vendor), who, in no more than two consecutive quarters in any 12-month period, makes sales of tangible personal property or services that are subject to tax.

This certificate does not exempt prepaid sales tax on cigarettes. This certificate may not be used to purchase motor fuel or diesel motor fuel.

If you intentionally issue a fraudulent exemption certificate, you will become liable for penalties and interest, in addition to the sales tax initially due. Some penalties that may apply:

- 100% of the tax due
- \$50 for each fraudulent exemption certificate issued
- a misdemeanor penalty consisting of fines not to exceed \$10,000 for an individual or \$20,000 for a corporation
- loss of your Certificate of Authority

### To the Seller

If you are a New York State registered vendor and accept an exemption document, you will be protected from liability for the tax, if the certificate is valid.

The certificate will be considered valid if it was:

- accepted in good faith,
- in the vendor's possession within 90 days of the transaction, and
- properly completed (all required entries were made).

A certificate is accepted in good faith when a seller has no knowledge that the exemption certificate is false or is fraudulently given, and reasonable ordinary due care is exercised in the acceptance of the certificate.

You must get a properly completed exemption certificate from your customer no later than 90 days after the delivery of the property or the performance of the service. When you receive a certificate after the 90 days, both you and the purchaser are subject to the burden of proving that the sale was exempt, and additional documentation may be required. An exemption certificate received on time that is not properly completed will be considered satisfactory if the deficiency is corrected within a reasonable period. You must also maintain a method of associating an invoice (or other source document) for an exempt sale made to a customer with the exemption certificate you have on file from that customer.

**Invalid exemption certificates** - Sales transactions which are not supported by valid exemption certificates are deemed to be taxable retail sales. The burden of proof that the tax was not required to be collected is upon the seller.

**Retention of exemption certificates** - You must keep this certificate for at least three years after the due date of the return to which it relates, or the date the return was filed, if later.



### Need Help?

Tax information: 1 800 972-1233  
 Forms and publications: 1 800 462-8100  
 From outside the U.S. and outside Canada: (518) 485-6800  
 Fax-on-demand forms: 1 800 748-3676  
 Internet access: <http://www.tax.state.ny.us>  
 Hearing and speech impaired: 1 800 634-2110



## Exempt Use Certificate

Pages 1 and 2 must be completed by the purchaser and given to the seller

The purchase I am making is exempt from state and local sales and use taxes because the property or service(s) will be used for the exempt purpose indicated below and as explained in the instructions.

Name of seller	Name of purchaser
Street address	Street address
City State ZIP code	City State ZIP code

Check one: ☐ Single-purchase certificate ☐ Blanket certificate

**This form cannot be used to purchase motor fuel or diesel motor fuel exempt from tax except as described in the instructions for (U) on page 4.**

**Please read the instructions on pages 3 and 4 for more information on each exemption, and check the applicable box(es) next to the exemption(s) you are claiming.**

### Part I — Exemptions related to production

**Purchases described in (A) through (F) are exempt from all state and local sales and use taxes. Except as described in box (C), you must have a *Certificate of Authority* to claim the exemptions listed in Part I.**

☐ (A) Machinery and equipment, parts, tools, and supplies used or consumed in the production of tangible personal property for sale or in the production of gas, electricity, refrigeration, or steam, for sale.  
Enter *Certificate of Authority* number here \_\_\_\_\_

☐ (B) Tangible personal property used or consumed in the production of a film for sale. Enter *Certificate of Authority* number here \_\_\_\_\_

☐ (C) Tangible personal property used or consumed in providing telecommunications or Internet access services for sale. Enter *Certificate of Authority* number here \_\_\_\_\_. If you are engaged exclusively in providing Internet access services for sale, a *Certificate of Authority* is not required when claiming this exemption; however, if you have a *Certificate of Authority*, enter the number in the space provided.

☐ (D) Machinery, equipment, or other tangible personal property (including parts, tools, and supplies) used or consumed by television or radio broadcasters in the production or transmission of live or recorded programs which are used by the broadcaster for specified purposes. Enter *Certificate of Authority* number here \_\_\_\_\_

☐ (E) Purchases of gas or electricity or gas or electric service used to provide gas or electric service consisting of operating a gas pipeline, an electric transmission line, or a gas or electric distribution line. Enter *Certificate of Authority* number here \_\_\_\_\_

☐ (F) Purchases of the following used or consumed in the production of tangible personal property (or a film, regardless as to the means by which the film is conveyed) for sale (check one or more boxes):

☐ fuel ☐ gas ☐ electricity

☐ refrigeration ☐ steam

☐ gas, electric, refrigeration, or steam service

Enter *Certificate of Authority* number here \_\_\_\_\_

**Purchases described in (G) are exempt from all state and local sales and use taxes when delivered or used outside New York City, but subject to New York City local sales and use tax when delivered or used in New York City.**

☐ (G) Purchases of the following used or consumed in the production of gas, electricity, refrigeration, or steam for sale (check one or more boxes):

☐ fuel ☐ gas ☐ electricity

☐ refrigeration ☐ steam

☐ gas, electric, refrigeration, or steam service

Enter *Certificate of Authority* number here \_\_\_\_\_

**Note: This certificate is not valid unless the purchaser completes the certification on page 2.**

## Part II — Services exempt from tax (exempt from all state and local sales and use taxes)

Enter *Certificate of Authority* number here (if applicable) \_\_\_\_\_

- ☐ (H) Installing, repairing, maintaining, or servicing qualifying property listed in Part I, (A) through (D). Please indicate the type of qualifying property being serviced by checking the applicable box(es):  
 (A) ☐ (B) ☐ (C) ☐ (D) ☐
- ☐ (I) Producing, fabricating, processing, printing, and imprinting, including editing, dubbing, and mixing, qualifying property listed in Part I, (B) and (D). Please indicate the type of qualifying property being serviced by checking the applicable box(es):  
 (B) ☐ (D) ☐
- ☐ (J) Removal of waste material from a facility regulated by the Department of Environmental Conservation (DEC) as either a transfer station or as a construction and demolition debris processing facility.

## Part III — Other exemptions

A *Certificate of Authority* is not required when claiming the exemptions described below. However, if you have a *Certificate of Authority*, enter the number here \_\_\_\_\_

- ☐ (K) Tangible personal property used in research and development.
- ☐ (L) Purchases of the following used in research and development (check one or more boxes):  
☐ gas ☐ electricity  
☐ refrigeration ☐ steam  
☐ gas, electric, refrigeration, or steam service
- ☐ (M) Cartons, containers, and other wrapping and packaging materials and supplies that are actually transferred to the purchaser.
- ☐ (N) Certified enhanced emissions inspection equipment for testing and inspecting motor vehicles. Enter your inspection station license number here \_\_\_\_\_
- ☐ (O) Commercial vessels (including certain property and services).
- ☐ (P) Commercial aircraft (including certain machinery and equipment) and flight simulators purchased by commercial airlines.
- ☐ (Q) Commercial fishing vessels (including certain property).
- ☐ (R) Pollution control equipment.
- ☐ (S) Tangible personal property (including lubricants) used in the services of maintenance, service, repair, or installation performed on any aircraft by such person providing such service.
- Purchases described in (T) are subject to New York City local sales tax.**
- ☐ (T) Machinery and equipment used directly and predominantly in loading, unloading, and handling cargo at a qualified marine terminal facility in New York City.
- ☐ (U) Other — describe exempt use and identify the section of the Tax Law covering this exemption (see instructions).

**Certification.** I certify that the above statements are true and correct. I make these statements with the knowledge that knowingly making a false or fraudulent statement on this document is a misdemeanor under section 1817 of the Tax Law and section 210.45 of the Penal Law, punishable by imprisonment for up to a year and a fine of up to \$10,000 for an individual or \$20,000 for a corporation. I understand that the Tax Department is authorized to investigate the validity of the exemption claimed or the accuracy of any information entered on this form.

Type or print name and title of owner, partner, etc., of purchaser	
Signature of owner, partner, etc.	Date prepared

## Instructions

### To the purchaser

If you have a valid *Certificate of Authority*, you may use Form ST-121 to purchase, rent, or lease tangible personal property or services exempt from tax to the extent indicated in these instructions. Complete all required entries on the form and give it to the seller.

You may use Form ST-121 as a blanket certificate covering the first and subsequent purchases of the same general type of property or service. However, each subsequent sales slip or purchase invoice (excluding utility bills) based on this blanket certificate must show your name, address, and *Certificate of Authority* identification number.

If you make further purchases from the seller that do not qualify for the exemption, you must pay the appropriate sales tax at the time of purchase.

As used in this document, the term *predominantly* means that the property or service(s) is used more than 50% of the time directly for the purpose stated in the particular section. The term *exclusively* means that the property or service(s) is used 100% of the time directly for the purpose stated in the particular section. The term *primarily* means that the property or service(s) is used 50% or more of the time directly for the purpose stated in the particular section.

### Part I — Exemptions related to production

Except as described in box (C), you must have a *Certificate of Authority* to claim the exemptions listed in Part I.

(A) — You may purchase, exempt from tax, machinery and equipment, including parts, tools, and supplies, used or consumed **directly and predominantly** in the production of tangible personal property, gas, electricity, refrigeration, or steam for sale by manufacturing, processing, generating, assembling, refining, mining, or extracting. For more information on these various production exemptions, see Publication 852, *Sales Tax Information for: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*.

(B) — You may purchase, exempt from tax, tangible personal property used **directly and predominantly** in the production (including editing, dubbing, and mixing) of a film for sale regardless of the medium by which the film is conveyed to the purchaser. (For purposes of this exemption, the term *film* means feature films, documentary films, shorts, television films, television commercials, and similar productions.)

(C) — You may purchase, exempt from tax, tangible personal property used **directly and predominantly** in the receiving, initiating, amplifying, processing, transmitting, retransmitting, switching, or monitoring of switching of telecommunications services for sale, or Internet access services for sale, or any combination of the two services. If you are engaged exclusively in providing Internet access services for sale, a *Certificate of Authority* is not required when claiming this exemption; however, if you have a *Certificate of Authority*, enter the number in the space provided on page 1.

(D) — You may purchase, exempt from tax, machinery, equipment, or other tangible personal property (including parts, tools, and supplies) used or consumed by television or radio broadcasters **directly and predominantly** in the production (including post-production) of live or recorded programs which are used or consumed by a broadcaster predominantly for the purpose of broadcast over the air by the broadcaster or for transmission through a cable television or direct-broadcast satellite system by the broadcaster. You may also purchase, exempt from tax, machinery, equipment, and other tangible personal property (including parts, tools, and supplies) used or consumed **directly and predominantly** in the transmission of live or recorded programs over the air or through a cable television or direct-broadcast satellite system by the broadcaster. Tangible personal property purchased by a broadcaster (lessor) for lease to another person (lessee) for that person's use or consumption directly and predominantly in the production (including post production) of live or recorded programs by the person will be deemed to be used or consumed by the lessor broadcaster for purposes of determining whether the lessor broadcaster has met the direct and predominant use requirement of the exemption described in the above sentence. (For more information concerning this exemption, see TSB-M-00(6)S.)

(E) — You may purchase, exempt from tax, gas or electricity or gas or electric service used or consumed **directly and exclusively** to provide gas or electric service of whatever nature consisting of operating a gas pipeline, a gas distribution line, or an electric transmission or distribution line or to ensure the necessary working pressure in an underground gas storage facility.

(F) — You may purchase, exempt from tax, fuel, gas, electricity, refrigeration, and steam and gas, electric, refrigeration, and steam service used or consumed **directly and exclusively** in the production of tangible personal property (or a film, regardless as to the means by which the film is conveyed) for sale, by manufacturing, processing, assembling, generating, refining, mining, or extracting. You must pay any state and local taxes due on any part of any fuel or utility service not used directly and exclusively for an exempt purpose. For example, electricity purchased solely to light a factory must be purchased tax paid, but electricity used for both an exempt purpose and a taxable purpose may be purchased exempt from tax. However, you must report the tax due on the electricity used for the taxable purpose on your sales and use tax return as a purchase subject to tax.

(G) — You may purchase, exempt from tax (except for the local tax imposed on sales and uses in New York City), fuel, gas, electricity, refrigeration, and steam and gas, electric, refrigeration, and steam service used or consumed **directly and exclusively** in the production of gas, electricity, refrigeration, and steam for sale by manufacturing, processing, assembling, generating, refining, mining, or extracting. You must pay any state and local taxes due on any part of any fuel or utility service not used directly and exclusively for an exempt purpose.

### Part II — Services exempt from tax

(H) — You may purchase the services of installing, repairing, maintaining, and servicing qualifying property listed in Part I, (A) through (D), exempt from tax.

(I) — You may purchase the services of producing, fabricating, processing, printing, and imprinting, including editing, dubbing, and mixing, qualifying property listed in Part I, (B) and (D), exempt from tax.

(J) — If you are a facility regulated by the DEC as either a transfer station or construction and demolition debris processing facility, you may purchase the service of waste removal exempt from tax, provided that the waste is not generated by your facility. Under the DEC regulations, a *transfer station* is defined generally as a solid waste management facility other than a recyclables handling and recovery facility, used oil facility, or a construction and demolition debris processing facility, where solid waste is received for the purpose of subsequent transfer to another solid waste management facility for further processing, treating, transfer, or disposal. A *construction and demolition debris processing facility* is a processing facility that receives and processes construction and demolition debris by any means.

### Part III — Other exemptions

A *Certificate of Authority* is not required when claiming the exemptions described in Part III on page 2. However, if you have a *Certificate of Authority*, enter the number in the space provided on page 2.

(K) — Tangible personal property used or consumed **directly and predominantly** in research and development in the experimental or laboratory sense is exempt from tax.

(L) — Gas, electricity, refrigeration, and steam, and gas, electric, refrigeration, and steam service used or consumed **directly and exclusively** in research and development in the experimental or laboratory sense may be purchased exempt from tax.

*Research and development* does not include the ordinary testing or inspection of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions, or research in connection with literary, historical, or similar projects.

(M) — Vendors may purchase, exempt from tax, cartons, containers, and other wrapping and packaging materials and supplies and components thereof used to package tangible personal property for sale if the property is actually transferred by the vendor to the purchaser of the property.

## Instructions (continued)

(N) — Enhanced emissions inspection equipment certified by the DEC for use in testing and inspecting motor vehicles as part of the enhanced emissions inspection and maintenance program required by the Federal Clean Air Act and the New York State Clean Air Compliance Act may be purchased without payment of tax. To qualify for the exemption, the equipment must be purchased and used by an official inspection station which is licensed by the Department of Motor Vehicles and authorized to conduct enhanced emissions inspections. (For more information about enhanced emissions inspection equipment, see TSB-M-97(8)S.)

(O) — Commercial vessels, including property used by or purchased for the use of these vessels for fuel, provisions, supplies, maintenance, and repairs, and the services of installing, maintaining, servicing, or repairing these vessels or property, may be purchased exempt from tax. To qualify for the exemption, the commercial vessel must be **primarily** engaged in interstate or foreign commerce. The exemption does **not** apply to property purchased for or used in the original equipping of a new ship, or to the services of installing this property in the equipping of a new ship. (For the definition of commercial vessels and other information concerning this exemption, see TSB-M-96(14)S.)

(P) — Commercial aircraft and machinery or equipment to be installed on this aircraft, property used for maintenance or repair of this aircraft, and flight simulators purchased by commercial airlines may be purchased exempt from tax. To qualify for the exemption, the commercial aircraft must be **primarily** engaged in intrastate, interstate, or foreign commerce. (For the definition of commercial aircraft and other information concerning this exemption, see TSB-M-96(14)S.)

(Q) — Commercial fishing vessels used **directly** and **predominantly** in the harvesting of fish for sale (other than sport fishing vessels), including property used by or purchased for the use of these vessels for fuel, provisions, supplies, maintenance, and repairs may be purchased exempt from tax. (For the definition of commercial fishing vessels and other information concerning this exemption, see TSB-M-85(17)S.)

(R) — If not otherwise exempt, machinery and equipment used **directly** and **predominantly** in the control, prevention, or abatement of pollution or contaminants from manufacturing or industrial facilities may be purchased exempt from tax.

(S) — Tangible personal property purchased and used in the services of maintenance, service, repair or installation performed on any aircraft, where such property is purchased by the person providing such services and it becomes a physical component part of the aircraft or is a lubricant applied to the aircraft, is exempt from tax.

(T) — Machinery and equipment used at qualified marine terminal facilities located in New York City. The machinery and equipment must be used directly and predominantly in loading, unloading, and handling cargo at marine terminal facilities located in New York City which handled more than 350,000 twenty foot equivalent units (TEUs) in 2003. For purposes of this exemption, the term **TEU** means a unit of volume equivalent to the volume of a twenty-foot container. This exemption does **not** apply to the 4% local tax in New York City.

(U) — Use this line to claim exemption from all sales and use taxes on qualified tangible personal property or services not otherwise specified in this certificate. Describe the exempt use of the tangible personal property or service being purchased, and identify the applicable section of the Tax Law under which you claim exemption.

If you are purchasing motor fuel or diesel motor fuel eligible to be taxed on a cents-per-gallon basis, write **Tax Law section 1111(m) qualified fuel taxed using the cents-per-gallon method** in the space provided. See TSB-M-06(8)S, *New Guidelines on the Sales of Motor Fuel and Diesel Motor Fuel Subject to the Cents-Per-Gallon Sales Tax*, for additional information.

Line access services purchased by an Internet Service Provider (ISP) and used for transmission between the ISP point of presence and the public Internet for the purpose of connecting the ISP's customers to the Internet are purchases of interstate or international telephony and thus are not subject to sales tax. If you are an ISP purchasing line access services to use in this manner, write

**telecommunications services used by an ISP to provide Internet access originating with the ISP point of presence (Tax Law section 1105(b)(1))** in the space provided. See TSB-M-07(2)S, *Sales Tax Treatment of Telecommunications Services Purchased By an Internet Service Provider*, for additional information.

Certain military decorations, including ribbons, medals, mini-medals, and lapel pins, are exempt from sales tax when sold to an active member or a veteran of the United States military. If you are purchasing tax-exempt military decorations, write **military decoration – Tax Law Section 1115(a)(11-a)** in the space provided. The Tax Law provides that you must also show the vendor your military identification or other documentation (such as discharge papers) as proof of current military service or veteran status. However, the vendor is not required to retain a copy of this proof.

### To the seller

The purchaser must give you Form ST-121 with all entries completed no later than 90 days after delivery of the property, or the sale will be deemed to have been taxable at the time of the transaction. If you receive the certificate after the 90-day period, both you and the purchaser assume the burden of proving the sale was exempt, and additional substantiation may be required.

In addition, if you fail to collect tax as a result of accepting an improperly completed exemption certificate, you become personally liable for the tax plus any penalty and interest charges due, unless the certificate is corrected within a reasonable period of time or you otherwise prove that the transaction was not subject to tax. You must keep any exemption certificate you receive for at least three years after the due date of the last return to which it relates, or the date the return is filed, if later. You must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate you have on file for that customer.

If the **Blanket certificate** box is checked on page 1, you may consider this certificate part of any order received from the purchaser during the period that the blanket certificate remains in effect. However, each subsequent sales slip or purchase invoice based on this blanket certificate must show the purchaser's name and address. A blanket certificate remains in effect until the purchaser gives you written notice of revocation, or you have knowledge that the certificate is false or was fraudulently presented, or until the Tax Department notifies you that the purchaser may not make exempt purchases.

### Misuse of this certificate

Any person who issues a false or fraudulent Form ST-121, **Exemption Certificate**, may be liable for penalties and interest in addition to the tax initially due. Some penalties that apply are:

- 100% of the tax due;
- \$50 for each fraudulent exemption certificate issued;
- A misdemeanor penalty (consisting of fines not to exceed \$10,000 for an individual or \$20,000 for a corporation); and
- Revocation of your **Certificate of Authority**, if you are required to be registered as a vendor.

### Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 44, 171, 171-a, 287, 308, 429, 475, 505, 697, 1036, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

### Need help?



**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)



**Fax-on-demand forms:** 1 800 748-3676



To order forms and publications: 1 800 462-8100

**Sales Tax Information Center:** 1 800 698-2909

From areas outside the U.S. and outside Canada: (518) 485-6800



**Hearing and speech impaired**  
(telecommunications device for the deaf (TDD) callers only): 1 800 634-2110



# Exemption Certificate for Purchases of Promotional Materials

State and Local Sales and Use Tax

**ST-121.2**  
(11/08)**To be completed by the purchaser and given to the seller. Complete all required entries (see instructions).**

Name of seller	Name of purchaser
Street address	Street address
City State ZIP code	City State ZIP code
Purchaser's sales tax ID number (see instructions)	

Mark an **X** in one box: ☐ Single purchase certificate ☐ Blanket certificateFor Parts 1, 2, 3, and 4, enter the percentage of the purchase that qualifies as tax exempt. Do not enter an amount greater than what you know to be exempt. If the total purchase is exempt, enter **100**.**Part 1 — Purchases of promotional materials****Exempt  
percentage**

- A** Printed promotional materials where the purchaser of the promotional materials mails or ships those promotional materials, or causes those promotional materials to be mailed or shipped, to its customers or prospective customers, without charge to such customers or prospective customers, by means of a common carrier, United States postal service or like delivery service. .... **A.** \_\_\_\_\_ %
- B** Promotional materials upon which producing, fabricating, processing, printing, or imprinting services have been directly performed where the purchaser of the promotional materials mails or ships those promotional materials, or causes those promotional materials to be mailed or shipped, to its customers or prospective customers, without charge to such customers or prospective customers, by means of a common carrier, United States postal service or like delivery service ..... **B.** \_\_\_\_\_ %
- C** Promotional materials mailed, shipped, or otherwise distributed from a point within the state, by or on behalf of vendors or other persons to their customers or prospective customers located outside New York State, for use outside the state..... **C.** \_\_\_\_\_ %

**Part 2 — Purchases of services to exempt promotional materials**

- D** Producing, fabricating, processing, printing, or imprinting services performed on promotional materials exempt under **A** or **B** ..... **D.** \_\_\_\_\_ %
- E** Information services or services of producing, fabricating, processing, printing, or imprinting relating to mailing lists, or activities directly in conjunction with mailing lists, provided such services are performed on, or directly in conjunction with, promotional materials exempt under **A**, **B**, or **C** ..... **E.** \_\_\_\_\_ %

**Part 3 — Purchases of the service of storing exempt promotional materials**

- F** Storage provided by the same vendor who sold promotional materials exempt under **A** or **B** and the purchaser of the storing service is the purchaser of such exempt promotional materials ..... **F.** \_\_\_\_\_ %
- G** Storage provided by the same vendor who rendered services exempt under **D** or **E**, for promotional materials exempt under **A** or **B** and the purchaser of the storing service is the purchaser of such exempt promotional materials ..... **G.** \_\_\_\_\_ %

**Part 4 — Purchases of mechanicals, layouts, artwork, etc.**

- H** Mechanicals, layouts, artwork, photographs, color separations and like property purchased, manufactured, processed or assembled by a person who furnishes such property to a printer and the printer uses such property directly and predominantly to produce promotional materials exempt under **A** or **B**, or in performing services exempt under section 1115(n)(5), for sale by such printer to the person who furnished such property to the printer ..... **H.** \_\_\_\_\_ %

**Certification**

I certify that the above statements are true and correct. I make these statements with the knowledge that knowingly making a false or fraudulent statement on this document is a misdemeanor under Tax Law section 1817, and Penal Law section 210.45, punishable by imprisonment for up to a year, and a fine of up to \$10,000 for an individual or \$20,000 for a corporation. I understand that the Tax Department is authorized to investigate the validity of the exemption claimed or the accuracy of any information entered on this form.

Purchaser's name and title (owner, partner, or other representative)	Purchaser's signature	Date
----------------------------------------------------------------------	-----------------------	------

## Instructions

### Who should use this form

If you are purchasing promotional materials, or services relating to promotional materials, you must complete this form and give it to the seller to certify the percentage of the purchase that is exempt from sales tax. *Promotional materials* include any advertising literature such as catalogs and brochures, and related tangible personal property (for example, annual reports, complimentary maps, other free gifts, applications, and order forms), and the envelopes used exclusively to deliver the promotional materials. Account statements, invoices, or the envelopes used to deliver them are not promotional materials.

### Purchaser's sales tax vendor ID number

If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this form. If you are required to be registered, you must be registered before using this form. If you are not required to be registered, enter *N/A*.

### Percentage

Enter the percentage of the purchase that qualifies as tax exempt for each category of exempt promotional materials and services you are purchasing. If you estimate too high a percentage as exempt, you must pay tax on the portion that turns out to be taxable. If you marked an **X** in the *Blanket certificate* box, you should periodically review the percentage(s). If any percentage changes, you must issue a new blanket certificate. The new blanket certificate covers subsequent purchases, and remains in effect until the percentages change again and you issue a newer certificate.

If you cannot, in good faith, determine the exempt percentage, you must pay tax at the time of purchase and request a refund.

### Part 1 — Purchases of promotional materials

*Printed promotional materials* include any printed materials such as catalogs, literature, and related tangible personal property (such as complimentary maps, applications, and order forms), and the envelopes used exclusively to deliver the promotional materials.

### Part 2 — Purchases of services to exempt promotional materials

Other purchases exempt from sales tax include information sold in the form of printed matter relating to mailing lists, including merging names, labeling envelopes, and similar services when sold in conjunction with qualifying exempt promotional materials.

### Part 3 — Purchases of the service of storing exempt promotional materials

The purchaser of promotional materials exempt as described in Part 1, paragraph B or C may also purchase certain storage charges exempt from tax if the charges are for storing exempt promotional materials and the storage is provided by the same vendor who sold the exempt printed promotional materials, or by the same vendor who rendered exempt services to the promotional materials, as described above. Storage of other promotional materials is taxable.

### Part 4 — Purchases of mechanicals, layouts, artwork, etc.

The paper, ink, artwork, mechanicals, and other supplies used to produce promotional materials exempt under A or B also qualify for tax exemption.

For more information on the production and use of promotional materials, see TSB-M-97(6)S, *Expanded Sales and Compensating Use Tax Exemption for Promotional Materials*, and TSB-M-01(4)S, *Summary of Recently Enacted Sales and Use Tax Legislation*.

### Exemption of free gifts

Free gifts are not exempt promotional materials unless one of the following applies:

- (1) they are shipped out of state, or
- (2) they are printed materials or promotional materials upon which producing, fabricating, processing, printing, or imprinting services have been directly performed and the purchaser of the gifts mails or ships them, or causes them to be mailed or

shipped, to its customers or prospective customers, without charge to such customers or prospective customers, by means of a common carrier, United States postal service or like delivery service.

### Penalties for misuse of this certificate

Any person who uses this certificate to exempt the purchase of nonqualifying items or services, or who issues a false or fraudulent Form ST-121.2, may be liable for penalties and interest in addition to the tax initially due. Penalties may include:

- 100% of the tax due;
- a \$50 penalty for each fraudulent exemption certificate issued;
- a misdemeanor penalty, consisting of fines not to exceed \$10,000 for an individual, or \$20,000 for a corporation; and
- revocation of your *Certificate of Authority*, if you are required to be registered for sales tax purposes.

### To the seller

The purchaser must give you a completed Form ST-121.2 no later than 90 days after delivery of the property or services, or the sale will be deemed to have been taxable at the time of the transaction. If you receive the certificate after 90 days, both you and the purchaser assume the burden of proving the sale was exempt, and we may require additional substantiation.

If you fail to collect tax as a result of accepting an improperly completed Form ST-121.2, you become personally liable for the tax, plus any penalty and interest due, unless the certificate is corrected within a reasonable period of time, or you otherwise prove that the transaction was not subject to tax. You must keep any exemption certificate you received for at least three years after the due date of the last tax return to which it relates, or the date the return is filed, if later. You must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate you have on file for that customer.

If you marked an **X** in the *Blanket certificate* box, you may consider this form part of any order received from the purchaser during the period that the blanket certificate remains in effect. However, each subsequent sales slip or purchase invoice based on this blanket certificate must show the purchaser's name and address. A blanket certificate remains in effect until the purchaser gives you written notice of revocation, or you have knowledge that the form is false or was fraudulently presented, or until the Tax Department notifies you that the purchaser may no longer make exempt purchases.

### Need help?



**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
(for information, forms, and publications)



**Fax-on-demand forms:** 1 800 748-3676



**Sales Tax Information Center:** (518) 485-2889  
In-state callers without free long distance: 1 800 698-2909

To order forms and publications: (518) 457-5431  
In-state callers without free long distance: 1 800 462-8100



**Text Telephone (TTY) Hotline**  
(for persons with hearing and speech disabilities using a TTY): 1 800 634-2110

### Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.





## New York State Sales and Use Tax Rates by Jurisdiction

Effective September 1, 2008

The following list includes the state tax rate combined with any county and city sales tax currently in effect and the reporting codes used on sales tax returns.

New York City comprises five counties. These counties are also boroughs whose names are more widely known. The counties, with borough names shown in parentheses, are Bronx (Bronx), Kings (Brooklyn), New York (Manhattan), Queens (Queens), and Richmond (Staten Island).

Reporting codes, rather than ZIP codes, should be used for identifying customer location. (Postal zones usually do not coincide with political boundaries, and the use of ZIP codes for tax collection results in a high degree of inaccurate tax reporting.) Use our Sales Tax Jurisdiction and Rate Lookup Service on our Web site at [www.nystax.gov](http://www.nystax.gov) to determine the correct local taxing jurisdiction, combined state and local sales tax rate, and the local jurisdictional reporting code to use when filing New York State sales tax returns.

For sales tax rates previously in effect, see Publication 718-A, *Enactment and Effective Dates of Sales and Use Tax Rates*.

County or other locality	Tax rate%	Reporting code	County or other locality	Tax rate%	Reporting code	County or other locality	Tax rate%	Reporting code
New York State — only	4	0021	Herkimer	8¼	2121	St. Lawrence	7	4091
Albany	8	0181	Jefferson	7¾	2221	Saratoga—except	7	4111
Allegany	8½	0221	*Kings (Brooklyn)—see <i>New York City</i>			Saratoga Springs (city)	7	4131
*Bronx—see <i>New York City</i>			Lewis	7¾	2321	Schenectady	8	4241
*Brooklyn—see <i>New York City</i>			Livingston	8	2411	Schoharie	8	4321
Broome	8	0321	Madison—except	8	2511	Schuyler	8	4411
Cattaraugus—except	8	0481	Oneida (city)	8	2541	Seneca	8	4511
Olean (city)	8	0441	*Manhattan—see <i>New York City</i>			*Staten Island—see <i>New York City</i>		
Salamanca (city)	8	0431	Monroe	8	2611	Steuben—except	8	4691
Cayuga—except	8	0511	Montgomery	8	2781	Corning (city)	8	4611
Auburn (city)	8	0561	*Nassau	8½	2811	Hornell (city)	8	4641
Chautauqua	7¾	0641	*New York (Manhattan)—see <i>New York City</i>			*Suffolk	8½	4711
Chemung	8	0711	*New York City	8¾	8051	Sullivan	8	4821
Chenango—except	8	0861	Niagara	8	2911	Tioga	8	4921
Norwich (city)	8	0831	Oneida—except	8¾	3010	Tompkins—except	8	5081
Clinton	8	0921	Rome (city)	8¾	3015	Ithaca (city)	8	5021
Columbia	8	1021	Utica (city)	8¾	3018	Ulster	8	5111
Cortland	8	1131	Onondaga	8	3121	Warren—except	7	5281
Delaware	8	1221	Ontario	7½	3201	Glens Falls (city)	7	5211
*Dutchess	8½	1311	*Orange	8½	3321	Washington	7	5311
Erie	8¾	1451	Orleans	8	3481	Wayne	8	5421
Essex	7¾	1521	Oswego—except	8	3501	*Westchester—except	7½	5581
Franklin	8	1621	Oswego (city)	8	3561	*Mount Vernon (city)	8½	5521
Fulton—except	8	1791	Otsego	8	3621	*New Rochelle (city)	8½	6861
Gloversville (city)	8	1741	*Putnam	8¾	3731	*White Plains (city)	8½	6521
Johnstown (city)	8	1751	*Queens—see <i>New York City</i>			*Yonkers (city)	8½	6511
Genesee	8	1811	Rensselaer	8	3881	Wyoming	8	5621
Greene	8	1911	*Richmond (Staten Island)—see <i>New York City</i>			Yates	8	5721
Hamilton	7	2011	*Rockland	8¾	3921			

\*Rates in these jurisdictions include ¾% imposed for the benefit of the Metropolitan Commuter Transportation District.



# Collection and Reporting Instructions for Printers and Mailers

## For sales on and after September 1, 2008

# Publication 831

(8/08)

This publication provides printers, mailers, or printer-mailers with the information necessary to collect and report the correct amount of sales tax due New York State on printing and mailing charges.

Terms used in this publication are defined as follows:

- Printer** — A person engaged in the business of printing or duplicating
- Printed matter** — Materials that include, but are not limited to, advertising matter, annual reports, prospectuses, proxy notices, and other printed items
- Mailer** — A person engaged in mailing printed matter

A printer delivering printed matter to a mailer in New York State is required to collect the sales tax on the entire charge, unless the printer is furnished with proof of the portion to be mailed to persons outside New York State and the destinations of all the material to be mailed to persons in New York State. If such proof is furnished, the printer is required to collect sales tax only on the charge for that portion of the printed matter that will be mailed to persons in New York State.

A mailer or printer-mailer is required to collect the statewide and appropriate local sales taxes on the printing, addressing, and other taxable charges for printed matter mailed to persons in New York State, whether mailed from within or outside New York State. The mailer or printer-mailer must maintain records showing the destinations of all material sent to persons in New York State and the portion of the material mailed to persons outside New York State.

The statewide tax and local sales tax, at the rate in effect where delivery is made, must be collected on the entire charge if printed matter is delivered to the customer in New York State, even if the customer will subsequently send some or all of the printed matter to persons outside New York State.

## 1. Alternative method

If mailing records are not adequate to show the destinations of all the printed matter mailed to persons in New York State, the alternative method described below may be used to determine state and local sales and use taxes, provided the following conditions are met:

- (1) The mailing must include points throughout New York State.
- (2) If the mailing list includes out-of-state mailings and is compiled by geographic location, an actual count of out-of-state mailings must be made.  
  
If the list is not compiled by geographic location, a sampling technique may be used provided 10% of the list, or 5,000 mailing pieces, whichever is less, is sampled.
- (3) The actual number of pieces mailed to New York City must be determined. Sampling under the conditions noted in item 2 may be used.

The alternative method **cannot** be used for printed matter upon which clerical, office typing, or computer printing operations are required to make the printed matter acceptable for the individual recipient or to accommodate the sender's usual use of such items. Thus, printed items such as invoices, statement forms,

payment notices, letterheads, envelopes for correspondence, and items that by their content are not interchangeable with items of other recipients on the mailing list, are subject to the New York State sales tax at the point from which the actual mailing service occurs. (See *Promotional materials* below.)

Outside mailing envelopes used to mail printed matter from a point in New York State through a post office in New York State are fully taxable because their use occurs in New York State, despite the fact that all or a portion of the contents may be subject to the alternative method (see exception under *Promotional materials* for envelopes used to enclose promotional materials). However, business envelopes enclosed for the recipient's use in replying are eligible for the alternative method, if the recipient is outside New York State.

## Promotional materials

*Promotional materials* include any advertising literature, catalogs, and other related items, whether or not personalized, including, but not limited to: free gifts; complimentary maps and other items given to travel club members; applications; order forms; return envelopes; annual reports; prospectuses; promotional displays; and cheshire labels. The envelopes in which these articles are mailed are also considered promotional materials if the articles are **exclusively** promotional materials. (*Promotional materials* do **not** include invoices, statements of account, and similar documents.)

Any **printed** promotional materials delivered by a common carrier, the U.S. Postal Service, or a similar delivery service to a mailing address **within** New York State, are exempt from New York State sales and use taxes when a purchaser (directly or through a printer-mailer) delivers these materials to a customer or prospective customer **at no charge to the customer**.

However, all promotional materials (including free gifts, product samples, etc.,) mailed, shipped, or otherwise distributed by a printer-mailer from points within New York State to a mailing address **outside** New York State for use **outside** New York State, are exempt from sales and use taxes. Clerical functions performed on promotional materials being mailed out of state are also exempt.

Charges for the portion of a mailing list used in conjunction with the distribution of exempt promotional materials are also exempt. These charges are exempt whether the list is considered an information service or tangible personal property.

When the mailing includes several items that each require a different treatment for sales tax purposes, the appropriate sales tax treatment may be applied to each separate component of the mailing. It is necessary to maintain adequate records to substantiate the tax calculation for each component. For example, the alternative method of computing sales tax may be applied to product samples enclosed with monthly invoices, even though the alternative method cannot be used for the invoice, statements of accounts, and the outside mailing envelopes.

**Note:** Printed promotional materials delivered to points in New York State by a means **other than** the U.S. Postal Service or a similar delivery service, and free gifts, product samples, and other **nonprinted** promotional materials delivered to points in New York State, are subject to state and local sales and use tax.

## 2. Application of the alternative method

Under the alternative method, the rate of 8 $\frac{3}{8}$ % (8.375%) is applied to New York City mailings, and an alternative rate, based on the population of New York State and the combined tax rates imposed therein, is applied to New York State mailings outside New York City.

The alternative rate reported in this publication changes when the combined tax rate in any jurisdiction (other than New York City) changes. Therefore, when a change occurs, this publication is revised to reflect the new rate.

The city of Sherrill, located in Oneida County, has repealed its local sales tax effective September 1, 2008. However, the alternative rate for mailings made on and after September 1, 2008, remains at 8.188%.

If you need the alternative rate in effect for a prior period, contact the Sales Tax Information Center (see *Need help?* on page 3).

Under the alternative method, the printer or mailer is required to write or stamp on each bill, the following:

**Total pieces mailed** \_\_\_\_\_  
**Mailed to New York City at 8 $\frac{3}{8}$ %** \_\_\_\_\_  
**Mailed to balance of New York State at (alternative rate)** \_\_\_\_\_

**Example:** If after September 1, 2008, a printer-mailer did a job for \$1,400.00 (10,000 pieces mailed) using a qualified list, 70% or 7,000 pieces mailed out of state, 10% or 1,000 pieces mailed into New York City (8 $\frac{3}{8}$ % tax rate), and 20% or 2,000 pieces mailed to points throughout the rest of the state (8.188% tax rate), the bill might appear as follows:

Printing and addressing	\$1,200.00
Nontaxable mailing	200.00
Total sales price	<u>1,400.00</u>

### Sales tax computation

New York City (10% of \$1,200.00)	\$120.00 at 8 $\frac{3}{8}$ %	10.05
New York State (20% of \$1,200.00)	240.00 at 8.188%	<u>19.65</u>
Total New York State and local taxes		<u>29.70</u>
Total due		<u>\$1,429.70</u>

## 3. Reporting of tax

Distribution of taxable sales at the alternative rate is as follows:

2.69%	Albany	.91%	Ontario
.46%	Allegany	3.11%	Orange
1.83%	Broome	.40%	Orleans
.57%	Cattaraugus (outside the following)	.95%	Oswego (outside the following)
.14%	Olean (city)	.16%	Oswego (city)
.06%	Salamanca (city)	.56%	Otsego
.49%	Cayuga (outside the following)	.87%	Putnam
.26%	Auburn (city)	1.39%	Rensselaer
1.27%	Chautauqua	2.61%	Rockland
.83%	Chemung	1.02%	St. Lawrence
.40%	Chenango (outside the following)	1.59%	Saratoga (outside the following)
.07%	Norwich (city)	.24%	Saratoga Springs (city)
.73%	Clinton	1.34%	Schenectady
.58%	Columbia	.29%	Schoharie
.44%	Cortland	.18%	Schuyler
.44%	Delaware	.30%	Seneca
2.55%	Dutchess	.72%	Steuben (outside the following)
8.66%	Erie	.10%	Corning (city)
.35%	Essex	.08%	Hornell (city)
.47%	Franklin	12.94%	Suffolk
.28%	Fulton (outside the following)	.67%	Sullivan
.14%	Gloversville (city)	.47%	Tioga
.08%	Johnstown (city)	.61%	Tompkins (outside the following)
.55%	Genesee	.27%	Ithaca (city)
.44%	Greene	1.62%	Ulster
.05%	Hamilton	.45%	Warren (outside the following)
.59%	Herkimer	.13%	Glens Falls (city)
1.02%	Jefferson	.56%	Washington
.25%	Lewis	.85%	Wayne
.59%	Livingston	4.87%	Westchester (outside the following)
.53%	Madison (outside the following)	.62%	Mount Vernon (city)
.10%	Oneida (city)	.66%	New Rochelle (city)
6.70%	Monroe	.48%	White Plains (city)
.45%	Montgomery	1.79%	Yonkers (city)
12.17%	Nassau	.40%	Wyoming
2.00%	Niagara	.22%	Yates
1.28%	Oneida (outside the following)		
.32%	Rome (city)	100.0%	
.55%	Utica (city)		
4.18%	Onondaga		

For record-keeping purposes, the printer or mailing house vendor would be required to separate alternative method bills to determine the following quarterly amounts:

Gross sales  
 Taxable sales — New York City  
 Taxable sales — Alternative  
 Tax collected — New York City  
 Tax collected — Alternative

Assume that a mailing house rendered all bills on the alternative method and had the following taxable sales for a quarterly period after September 1, 2008.

Taxable sales — New York City	\$100,000.00
Taxable sales — Alternative	<u>200,000.00</u>
Total taxable sales	\$300,000.00

Tax collected — New York City	\$8,375.00
Tax collected — Alternative	<u>16,376.00</u>
Total tax collected	\$24,751.00

Using the percentages shown on page 2, the taxable sales for each locality would be computed and shown on Form ST-100, *New York State and Local Quarterly Sales and Use Tax Return*, as the following chart illustrates.

**Note:** If you are using the alternative method, and a mathematical discrepancy occurs between the tax actually collected and the tax distributed as shown on Form ST-100, make any necessary adjustment to the *New York State only* reporting line.

Taxing jurisdiction	Combined tax rate	Taxable sales and services	ST-100
			Sales and use taxes
Albany	8%	5,380.00	430.40
Allegany	8½%	920.00	78.20
Broome	8%	3,660.00	292.80
Cattaraugus (outside the following)	8%	1,140.00	91.20
Olean (city)	8%	280.00	22.40
Salamanca (city)	8%	120.00	9.60
Cayuga (outside the following city)	8%	980.00	78.40
Auburn (city)	8%	520.00	41.60
<hr/>			
Wayne	8%	1,700.00	136.00
Westchester (outside the following)	7¾%	9,740.00	718.33
Mount Vernon (city)	8¾%	1,240.00	103.85
New Rochelle (city)	8¾%	1,320.00	110.55
White Plains (city)	8½%	960.00	78.00
Yonkers (city)	8¾%	3,580.00	299.83
Wyoming	8%	800.00	64.00
Yates	8%	440.00	35.20
New York City	8¾%	<u>100,000.00</u>	<u>8,375.00</u>
Total		300,000.00	\$24,751.00

## Need help?



**Internet access:** [www.nystax.gov](http://www.nystax.gov)  
 (for information, forms, and publications)



**Fax-on-demand forms:** Forms are  
 available 24 hours a day,  
 7 days a week. 1 800 748-3676



**Telephone assistance** is available from 8:00 A.M. to  
 5:00 P.M. (eastern time), Monday through Friday.  
 To order forms and publications: 1 800 462-8100  
**Sales Tax Information Center:** 1 800 698-2909  
 From areas outside the U.S. and  
 outside Canada: (518) 485-6800



**Text Telephone (TTY) Hotline** (for persons with  
 hearing and speech disabilities using a TTY): If you  
 have access to a TTY, contact us at 1 800 634-2110.  
 If you do not own a TTY, check with independent  
 living centers or community action programs to find  
 out where machines are available for public use.



**Persons with disabilities:** In compliance with the  
 Americans with Disabilities Act, we will ensure that  
 our lobbies, offices, meeting rooms, and other facilities  
 are accessible to persons with disabilities. If you have  
 questions about special accommodations for persons  
 with disabilities, please call 1 800 972-1233.

(Excerpt from New York State Publication 852)

**PART VI - CHART A****GENERAL SUMMARY OF THE PRODUCTION EXEMPTION****Exemption apply only for production of product for sale.**

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
Machinery or equipment used <b>directly</b> and <b>predominantly</b> in the production process		X		X		X
Machinery parts used directly and predominantly in production		X		X		X
Tools (hand tools) and supplies used directly and predominantly in production		X		X		X
Ingredients or components (raw materials) which become part of product		X		X		X
Supplies used directly and predominantly in production		X		X		X
Services of installing, repairing, maintaining, or servicing machinery and equipment used directly and predominantly in production		X	X			X
Services of installing, repairing, maintaining or servicing parts, tools, and supplies used with exempt production machinery and equipment		X	X			X
Fuel and utility services used directly and exclusively in production		X		X		X
General maintenance, heating, and illumination of plant and office building	X		X		X	

## PART VII - CHART B

### EXAMPLES OF TAXABLE AND EXEMPT PURCHASES BY A MANUFACTURER

Unless otherwise indicated, purchases of tangible personal property (such as machinery, equipment, parts and supplies) and charges for on-site assembly qualify for the production exemption only if the property purchased is used **directly** and **predominantly** in the production process. Purchases of fuel, gas, electricity, refrigeration, and steam, and gas, electric, refrigeration, and steam services qualify for the production exemption only if used **directly** and **exclusively** in the production process.

	New York State		Local (excluding) New York City)		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
<b>Machinery and Equipment</b>						
Machinery and equipment purchased or leased for use directly and predominantly in production		x		x		x
Electronic equipment used directly and predominantly in production		x		x		x
Work tables used directly and predominantly in production		x		x		x
Machinery and equipment used to produce exempt production machinery and equipment		x		x		x
Fork lifts and cranes used directly and predominantly in production		x		x		x
Parts when installed on machinery and equipment used directly and predominantly in production		x		x		x
Power tools, such as electric drill presses or table saws, used directly and predominantly in production		x		x		x
Hand tools (such as hand saws and wrenches) used directly and predominantly in production		x		x		x

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
Machinery and equipment used for general heating, lighting, ventilation, and air condition of plants and offices	x		x		x	
Air conditioning and ventilation equipment used directly and predominantly to create conditions necessary for production		x		x		x
Conveyors used directly and predominantly in production		x		x		x
Conveyors used to move finished products to and within storage and shipping areas	x		x		x	
Palletizer system used directly and predominantly in:						
a. Production		x		x		x
b. Distribution	x		x		x	
s						

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
<b>Quality Control</b>						
Machinery and equipment for production line testing of goods in process		X		X		X
Machinery and equipment for testing finished product	X		X		X	
<b>Production Supplies</b>						
Supplies used or consumed directly and predominantly in the production process, in connection with exempt machinery, or qualifying quality control (such as wiping cloths and sandpaper)		X		X		X
Oil and grease for use in or on exempt production machinery and equipment		X		X		X
Charts maintained for recording maintenance schedules, machine efficiency, and similar information relating to exempt production machinery and equipment	X		X		X	
Charts used to record and control the flow of materials through the manufacturing process, such as a chart produced by an orifice meter that records the pressure and volume of gas flowing through the meters		X		X		X
Chemicals and catalysts used directly and predominantly in production, not components of the finished product		X		X		X



	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
Safety apparel (such as glasses and shoes) furnished without charge by the manufacturer to its employees for use in the production process		X		X		X
Ingredients, components, raw materials, chemicals, and so forth, which become an element of the finished product		X		X		X
<b>Utilities and Fuel</b>						
Electricity, gas, fuel oil, propane, steam, and other fuels consumed <b>directly and exclusively</b> to power production equipment, including blasting agents and explosives used directly and exclusively in production		X		X		X
Electricity, gas, fuel oil, propane, steam, and so forth, used in the heating, lighting, or air conditioning of production and nonproduction areas and offices	X		X		X	
<b>Waste-Treatment Equipment</b>						
Equipment purchased by a manufacturer for use directly and predominantly in treating waste resulting from the production process		X		X		X
Equipment used to contain or recover oil spills	X		X		X	
Chemicals used in conjunction with qualifying waste-treatment equipment		X		X		X

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
Alarm devices that are not an integral component part of the waste-treatment equipment	x		x		x	
Building materials for constructing waste-treatment plants	x		x		x	
Ventilation equipment used to remove polluted air from the production area		x		x		x
<b>Outside Labor Services</b>						
Labor to install or repair production machinery or equipment		x	x			x
On-site assembly of qualifying production machinery and equipment		x		x		x
Capital improvement to buildings and land		x		x		x
Labor to install machinery and equipment which constitutes a capital improvement		x		x		x
Plant guard and security services	x		x		x	
Trash removal, snow removal, repair, and maintenance of building and land	x		x		x	
<b>Rigging Services Performed on Production Equipment</b>						
Installations, connections, erections, and the like		x	x			x

	New York State		Local (excluding) New York City)		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
Dismantling, disconnecting, transporting, etc., if charges are separately stated on invoice		x		x		x
<b>Research and Development (R&amp;D)</b>						
Laboratory equipment such as Bunsen burners, flasks, and microscopes, used directly and predominantly in R&D		x		x		x
Parts for Machinery and equipment used directly and predominantly in R&D		x		x		x
<b>Utilities</b>						
1. Power used directly and exclusively for qualifying R&D machinery and equipment		x		x		x
2. Power used directly and exclusively to heat or air condition a room or rooms for the proper conduct, operation, or maintenance of research and development machinery and equipment, or activities		x		x		x
3. General lighting and heating	x		x		x	
4. Intrastate telephone service	x		x		x	

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
5. Power to heat or air condition a plant where research and development is conducted	x		x		x	
6. Special lighting for a qualifying research and development project		x		x		x
Maintenance supplies such as brooms and light bulbs	x		x		x	
Labor to install or repair research and development machinery or equipment	x		x		x	
Tangible personal property used directly and predominantly for the development of new equipment for more efficient production of existing product		x		x		x
Technical journals for R&D purposes		x		x		x
Laboratory furniture used directly and predominantly in research and development		x		x		x
Furniture used for clerical purposes	x		x		x	
Test equipment to monitor new machinery and equipment used directly and predominantly in R&D		x		x		x
Building materials for construction in R&D areas (such as partitions and enclosures)	x		x		x	

	New York State		Local (excluding) New York City		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
<b>Containers, Labels, and Packing Materials</b>						
Returnable containers such as barrels, drums, and acid-carboys, owned by a manufacturer	x		x		x	
Racks, trays, and the like, not transferred with product	x		x		x	
Protective coverings (such as tarpaulins) not transferred with product	x		x		x	
Pallets (unreturnable) used to ship manufactured product		x		x		x
Product instruction inserts		x		x		x
Instruction inserts containing advertisements for other products	x		x		x	
Labels and nameplates to be permanently attached to product		x		x		x
Tickets and tags containing information such as size, style, lot number, inspection, list price, and similar manufacturer's data, not permanently attached to the product	x		x		x	
Tickets and tags containing information such as contents, size, care instructions, etc. that are permanently attached to the product		x		x		x
Bags, wrapping paper, twine, bands, and labels, used to package finished products for sale to others and transferred with the product		x		x		x

	New York State		Local (excluding) New York City)		New York City	
	Taxable	Exempt	Taxable	Exempt	Taxable	Exempt
<b>Administrative Supplies</b>						
Office supplies including invoices, purchase orders, and envelopes	x		x		x	
<b>Miscellaneous Expenses</b>						
Office furniture	x		x		x	
Building repairs and maintenance	x		x		x	
Samples purchased	x		x		x	
Transportation and delivery vehicles other than exempt tractors, trailers, and semitrailers	x		x		x	
Tractors, trailers, and semitrailers used in combination where the gross vehicle weight exceeds 26,000 lbs.		x		x		x
Commercial aircraft primarily used by a manufacturer to transport its goods in intrastate, interstate or foreign commerce		x		x		x
Commercial vessels primarily used by a manufacturer to transport its goods in interstate or foreign commerce		x		x		x

## APPENDIX A

### Determining Electricity Used in Production

The formula shown below has been developed for use in determining the exempt amount of electricity used in production. ( No formulas have been prepared for other utility services.) To determine the portion of purchases of electricity qualifying for exemption from sales tax, calculate the ratio of kilowatt-hours of exempt use to total kilowatt-hours of use. Then apply this ratio to electricity purchases to determine the amount qualifying for exemption.

$$\frac{\text{kilowatt-hours exempt use per month}}{\text{kilowatt-hours for month}} = \text{proportion of purchases qualifying for exemption}$$

When determining monthly hours of operation for the formula above, keep in mind variations in use throughout the year. Add the approximate hours of use for each month of the year and divide the results by 12.

$$\frac{\text{total hours per year}}{12} = \text{average hours per month}$$

### Calculating Kilowatts per Hour of Operation

#### Motors

##### Horsepower known:

Multiply the number of horsepower by 746 and divide by 1,000 to determine approximate kilowatts used per hour of operation.

$$\frac{\text{horsepower} \times 746}{1,000} = \text{kilowatts per hour}$$

##### Horsepower not known:

Multiply volts by amperes indicated on manufacturer's nameplate and divide by 1,000 to determine approximate kilowatts used per hour of operation.

$$\frac{\text{volts} \times \text{amperes}}{1,000} = \text{kilowatts per hour}$$

## Lights

For incandescent bulbs, add rated wattage and divide by 1,000. For fluorescent lights, add rated wattage plus an additional 20% of rated wattage (for energy used by lamp ballasts), then divide by 1,000.

$$\text{Incandescent lights:} \quad \frac{\text{watts}}{1,000} = \text{kilowatts per hour}$$

$$\text{Fluorescent lights:} \quad \frac{\text{watts} + .20 (\text{watts})}{1,000} = \text{kilowatts per hour}$$

## Devices Other Than Motors or Lights

For these devices, divide rated wattage by 1,000 to obtain approximate kilowatts used per hour of operation.

$$\frac{\text{watts}}{1,000} = \text{kilowatts per hour}$$



## APPENDIX D - GLOSSARY OF TERMS

The following definitions apply for purposes of the exemptions discussed in this publication.

Administration	Includes activities such as sales promotion, general office work, credit and collection, purchasing, general maintenance, transporting, receiving, and testing of raw materials, and clerical work in production such as preparation of work production and time records.
Assembling	Coupling or uniting of parts or materials as a manufacturing process or as a step in a manufacturing process which results in a new product.
Catalyst	A substance that speeds up or slows down the rate of a chemical reaction but does not itself undergo any permanent chemical change in the process.
Component	Any type of material, including chemicals and catalysts, which becomes an element of the final product for sale, even if only a small portion remains with the finished product.
Directly	<p>Machinery or equipment is used <b>directly</b> in production when it:</p> <ul style="list-style-type: none"><li>• acts upon or causes a change in material to form the product to be sold; or</li><li>• has an active causal relationship in the production of the product to be sold; or</li><li>• is used in the handling, storage, or conveyance of materials during the production process; or</li><li>• is used to place the product to be sold in the package in which it will enter the stream of commerce.</li></ul> <p>To be used directly in production, fuel, gas, electricity, refrigeration, or steam and gas, electric, refrigeration, or steam services must, during the production phase of a process:</p> <ul style="list-style-type: none"><li>• be used to operate exempt production machinery or equipment; or</li><li>• create conditions necessary for production; or</li><li>• be used to perform an actual part of the production process.</li></ul> <p>Use in activities collateral to the production process is not direct use in production.</p>
Distribution	Includes all operations after production, such as storing, displaying, selling, loading, and shipping finished products.
Equipment	An item used that has properties of repetitive utility and which maintains its form and characteristics during and after use, although subject to wear and deterioration.
Exclusively	Totally, or 100%. The term generally applies to use of gas, electricity, refrigeration, and steam, and gas, electric, refrigeration and steam services.
Machinery	A mechanical, electrical, or electronic device. Includes all devices required to control, regulate, or operate a piece of machinery, provided the devices are directly connected to or are an integral part of the machinery.

Part	A replacement for any portion of a piece of machinery or equipment, and any device actually attached to the machinery or equipment and used in connection with the performance of its function.
Predominantly	More than 50%. For example, a piece of equipment that is generally in operation 12 hours a day is used in the production process for 9 hours a day (or 75% of the time), and is used for other purposes 3 hours a day (or 25% of the time). The equipment is used predominantly in production since it is used more than 50% of the time in the production process.
Processing	An operation that changes the nature, shape, or form of tangible personal property.
Production	The process by which products are created using one or more of the following operations: manufacturing; processing; fabricating; generating; assembling; refining; mining; or extracting.
Quality Control	Routine on-line or off-line inspection, monitoring, or testing of a product.
Raw Material	Any substance or material, whether crude or processed, that can be converted by a production process into a new product.
Research and Development	Experimental or laboratory research for developing new or better products, finding new uses for existing products, or advancing technology.
Supply	<p>An item of tangible personal property which is used to maintain machinery or equipment; or an expendable item of tangible personal property that is used or consumed in the production process.</p> <p>A supply item which becomes a detectable element of the finished product for sale (such as a chemical) is treated as a component. See Component on page 47.</p>
Tool	A manually operated implement for performing a task, such as a tool used by carpenters and machinists; does not include parts, attachments, or devices that are affixed to machinery or equipment.
Useful Life	Length of time a machine part is expected to last under normal conditions.

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-79 (3)S  
January 23, 1979

DEFINITION OF NEWSPAPERS & PERIODICALS

Section 1115(a)(5) of the Tax Law exempts newspapers and periodicals from the tax imposed under sections 1105(a) and 1110 of the same law. Section 528.6 of the regulations, which defines newspapers and periodicals was promulgated at the Tax Commission meeting held on January 18, 1979, and is outlined below

Definition of a Newspaper: (1) In order to constitute a newspaper, a publication must conform generally to the following requirements:

- (i) it must be published in printed or written form at stated short intervals, usually daily or weekly.
- (ii) it must not, either singly or, when successive issues are put together, constitute a book;
- (iii) it must be available for circulation to the public; and
- (iv) it must contain matters of general interest and reports of current events.

(2) Notwithstanding the fact that a publication may be devoted primarily to matters of specialized interest, such as legal, mercantile, financial, theatrical, political, religious, or sporting matters, nevertheless, if in addition to the special interest it serves, the publication contains general news, it is entitled to the classification of a newspaper.

Definition of a Periodical: (1) In order to constitute a periodical, a publication must conform generally to the following requirements:

- (i) it must be published in printed or written form at stated intervals, at least as frequently as four times a year;
- (ii) it must not, either singly or, when successive issues are put together, constitute a book;
- (iii) it must be available for circulation to the public;
- (iv) it must have continuity as to title and general nature of content from issue to issue; and
- (v) each issue must contain a variety of articles by different authors devoted to literature, the sciences or the arts, news, some special industry, profession, sport or other field of endeavor.

(2) A publication which may be known as or considered to be a newsletter may qualify as a periodical if it conforms to the above standards. Where a newsletter has no signed articles, but has a staff of writers who originally prepare articles, such publication will be considered to have articles by different authors.

IN THE FOREGOING DEFINITIONS OF NEWSPAPERS AND PERIODICALS, THE TERM TO "CONFORM GENERALLY" MEANS THE PUBLICATION MUST MEET ALL OF THE CRITERIA GENERALLY. If, for example, in any given publication all five of the conditions are normally met but on rare occasions are not, the material does "conform generally". If, in the same example, only four of the five conditions are always met, that is, the fifth never is, the material does not "conform generally".

In the future, as individual publications are submitted for review, a comprehensive list of publications that are and are not taxable will be issued by the Technical Services Bureau. The determination will be based on the guidelines set forth in section 528.6 of the regulations as outlined in this memorandum.

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-92 (2)S  
Sales Tax  
January 13, 1992

**DELIVERY CHARGE ADDED TO TAXABLE**  
**RECEIPT EFFECTIVE SEPTEMBER 1, 1991**

The sales tax law had provided, that when determining the amount of sales tax to collect on a taxable receipt, charges included on such receipt that represent the seller's cost of transporting the purchase to the retail purchaser (if such transportation charge was separately stated on the bill rendered to the purchaser), could be excluded from the taxable receipt.

As a result of an amendment to the sales tax law, effective September 1, 1991, shipping or delivery charges billed by the vendor (which had been previously excluded from taxation as the cost of transportation, if separately stated) are part of the taxable receipt subject to sales tax, regardless of whether such charges are separately stated or whether the shipping or delivery is provided by the vendor or a third party.

**Billings for Taxable Sales**

When a customer pays the vendor for a taxable product or service and for its delivery, any charge for the cost of delivery that the vendor includes on the bill, invoice or other memorandum of sale given to the customer, becomes part of the receipt subject to sales tax.

Accordingly, when billing for taxable sales that are delivered within New York State (whether such shipment originates from inside or outside this state) on or after September 1, 1991, sales tax must be computed on the sum of all the component charges that comprise the taxable receipt including any charge for transportation, delivery, shipping, postage, freight, handling or similar charges. It is the vendor's responsibility to collect the tax on such charges regardless of whether the vendor ships the property by means of its own employees, a contract carrier, common carrier, the mail, or any other delivery service.

Example (1) A customer purchases a kitchen appliance (including service contract) from a major department store chain that has its own delivery vehicles. The department store delivers the appliance to the customer's home and charges \$20.00 for its delivery. The store issues the following bill to the customer:

Appliance	\$499.95
Service contract	30.00
Delivery charge	<u>20.00</u>
Total (before tax)	\$549.95

Sales tax must be computed on the total receipt of \$549.95.

- Example (2) A customer purchases a table and chairs from a custom furniture maker; the customer requests that the items be delivered. The furniture maker contracts with a common carrier to transport the furniture from his/her workshop to the customer's home. The furniture maker issues the following invoice:

Table and chairs	\$3,500.00
Transportation	<u>250.00</u>
Total (before tax)	\$3,750.00

Sales tax must be computed on the total receipt of \$3,750.00.

- Example (3) A customer orders movies from a mail order video club. The cost of each movie varies but the club requires that the customer pay an additional \$1.50 per movie for shipping and handling. The video club bills the customer as follows:

Video #1	\$14.99
Video #2	29.99
Video #3	29.99
Shipping and handling (3 @ \$1.50)	<u>4.50</u>
Total (before tax)	\$79.47

Sales tax is due on the total receipt of \$79.47.

#### Billings for Nontaxable Sales

Since the tax status of the underlying transaction controls the tax status of the receipt, when a customer pays the vendor for a nontaxable product or service and its delivery, any charge for delivery that is included on the customer's bill is also not subject to sales tax. In other words, a charge for delivery, shipping, postage, etc. that is a component of a nontaxable receipt is not taxable; this is true even if the receipt is not subject to tax because the customer provided the vendor with a valid resale certificate or other exemption document.

- Example (4) A customer purchases smoked meats, assorted cheeses and jellies from a mail order food merchant. The food merchant adds a shipping and handling charge to the customer's bill. Since all the items purchased by the customer are nontaxable food items, the entire receipt, including the shipping and handling charge, is exempt from tax.

- Example (5) A wholesaler delivers an inventory shipment to a customer engaged in retail sales. The customer provided the wholesaler with a resale certificate at the time the order was placed. The freight charge billed by the wholesaler for delivery of this order is not subject to tax.

Billings for Sales That Contain Taxable and Nontaxable Charges

When taxable and nontaxable property and/or services are combined into a single charge on one bill, the entire charge is subject to tax. When separate charges for the taxable and nontaxable sales are made, sales tax is not to be collected on the nontaxable portion. If both taxable and nontaxable sales are separately listed on one bill, but only one charge for delivery is made, the entire delivery charge becomes part of the taxable portion of the receipt and therefore, subject to tax.

Example (6) A customer orders a coffee maker and a five pound supply of imported coffee through the mail. The mail order retailer renders the following bill to the customer:

Coffee maker	\$89.95
Five pounds imported coffee	55.00
Postage	<u>5.00</u>
Total (before tax)	\$149.95

The receipt subject to tax is \$94.95.

If taxable and nontaxable sales are separately stated on a bill, and any charge for delivery is separately stated, and the charge for delivery is allocated between the taxable and nontaxable sales, the delivery charge allocated to the taxable portion of the bill is taxable while the delivery charge allocated to the nontaxable portion is not subject to tax.

Example (7) An art dealer/private collector purchases 5 works of fine art at auction. Four pieces are to be resold through the purchaser's gallery (auctioneer was provided with a proper resale certificate) and one piece for the purchaser's own private collection. The auction house uses its own private courier service for delivery and charges a flat \$250.00 per item for local delivery. The auction house issues the following bill to the purchaser:

Item #1	\$300,000	N/T
Item #2	175,000	N/T
Item #3	200,000	N/T
Item #4	250,000	N/T
Delivery (4 @ \$250)	1,000	
Item #5	250,000	Tax
Delivery	250	

The amount subject to tax is \$250,250.

Billings for Delivery Service Only

Since the sales tax is not specifically imposed on transportation service, delivery services purchased by a customer directly from someone other than the vendor of the taxable property or services to be delivered are not subject to sales tax, unless the charges for the delivery services are included on the vendor's bill to the customer.

Example (8) A customer purchases taxable goods from a vendor who does not have the ability to make or arrange for delivery. The customer separately contracts with a common carrier to transport its goods from the supplier's place of business to its own. The customer receives one bill from the vendor for the taxable goods and another bill from the common carrier for the delivery service. The bill from the common carrier is not subject to sales tax since it is not a component part of the taxable bill issued by the vendor.

Example (9) At the special request of the customer, a seller of prewritten computer software ships the diskette containing the program purchased by the customer using an overnight delivery service. The customer has an account with the delivery service and arranges for the software vendor to have the delivery service bill the customer's account. The customer is billed for the software by the vendor, the customer is also billed (on their own account) by the delivery service for the overnight shipment. The delivery service charge is not subject to sales tax since it is not part of the bill for the taxable software.

The incidental sale or transfer of tangible personal property in conjunction with the sale of a delivery service does not render the delivery service charge subject to tax.

Example (10) A customer contracts with a messenger/courier service to express deliver architectural renderings for a sales presentation taking place in a hotel located in another part of the state (the renderings are not being delivered as a result of a sale). The messenger/courier service provides a protective tube for the drawings and charges the customer a separate fee for the tube. The charge for the protective tube is subject to sales tax as the sale of tangible property, but the delivery charge is not subject to sales tax since the delivery charge is for delivering the customer's own drawings, not for delivering the protective tube purchased by the customer. The sale of the tube is incidental to the delivery service.



Example (11) A corporation hires a professional packing and shipping company to move some of its important documents to a record storage facility. The packing and shipping company removes the documents from the corporation's files, packs them into special boxes, labels the boxes for identification, and then ships these boxes to the storage facility. When the packing and shipping company bills the corporation, it charges a fee for its labor, a fee for the boxes and labels, and a fee for transporting the boxes to the storage facility. The sale of the boxes and labels are subject to sales tax, but like the previous example, the sale of the boxes and labels is incidental to the packing and shipping service provided by the vendor. Since the true object of the transaction was the purchase of a nontaxable delivery service, all charges other than those made specifically for the boxes and labels are not subject to sales tax.

#### Calculating Use Tax

There are instances when the seller of taxable goods or services is not required to add New York State sales tax to its charges; (e.g. the seller does not do business in this state; the seller received an exemption certificate from purchaser; or the purchase was made outside the taxing jurisdiction). When a situation arises where tax was not charged by the seller and the purchaser makes a taxable use of the purchase, the purchaser must pay a use tax directly to the Tax Department.

When computing the use tax, any charge for delivery, transportation, postage, shipping, and the like that was added to the bill by the seller of the property or service, must be included in the base amount upon which the use tax is calculated. Generally the same rules which govern whether or not delivery costs are to be included for the purpose of calculating the sales tax will also apply for use tax.

When property which was originally purchased for resale is used in a taxable manner, the use tax base is the cost of property plus its delivery expense. However, if the property subject to use tax was acquired in a bulk shipment and a single delivery fee was charged, the amount of the delivery charge considered part of the amount subject to use tax may be determined by dividing the total delivery charge by the number of units being delivered.

Example (12) A retailer of office equipment purchased a supply of ten (10) word processors for resale. The retailer's purchase invoice for these items showed a delivery charge of \$150.00. The retailer takes one of the word processors out of inventory for its own use. When the retailer calculates its use tax liability for the one word processor, \$15.00 (one tenth of \$150.00) must be added to its cost.

New York State Department of Taxation and Finance  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-97(6)S  
Sales Tax  
August 20, 1997

**Expanded Sales and Compensating Use Tax Exemption  
for  
Promotional Materials**

The Tax Law has been amended to provide an expanded sales and compensating use tax exemption for certain purchases and uses of promotional materials, and of certain services related to promotional materials. These changes are effective on and after March 1, 1997.

Prior to March 1, 1997, promotional materials mailed, shipped, or otherwise distributed from a point within this state, by or on behalf of vendors or other persons, to their customers or prospective customers located outside this state, for use outside this state, were exempt from sales and compensating use taxes.[See TSB-M-92(4)S.] On and after March 1, 1997, the exemption also applies to certain printed promotional materials, as well as certain other promotional materials, mailed or shipped by a common carrier, the U.S. Postal Service or a like delivery service within the state.

**Please note** that purchasers of promotional materials should use new **Form ST-121.2, *Certificate of Exemption for Purchases of Promotional Materials***, with respect to purchases of promotional materials exempt under either the old rules or the new rules. Purchasers who are currently registered (whether or not they are required to be) to collect sales tax should enter their sales tax vendor identification number in the space provided at the top of page 1 of new form ST-121.2. Purchasers who are not otherwise required to register as persons required to collect sales tax, may avail themselves of the expanded exemption for promotional materials without registering for a certificate of authority from the Department to collect sales tax. **These unregistered purchasers should also use Form ST-121.2, *Certificate of Exemption for Purchases of Promotional Materials*** and should enter *N/A* in the space provided for the sales tax vendor identification number at the top of page 1 of the certificate.

**During the interim period from March 1, 1997, until the issuance date of this TSB-M**, purchasers of promotional materials not otherwise required to register as persons required to collect sales tax were instructed to use Form ST-121, *Exempt Use Certificate*, until the new form was available. They were advised to check box (g) *other*, and to indicate in the space provided under box (g) that they were purchasing promotional materials eligible for the expanded exemption for promotional materials effective March 1, 1997, [Tax Law section 1115(n)] **and** that they were not required to be registered with the department to collect tax. Persons required to collect tax who had a certificate of authority were told to enter their certificate of authority number in the space provided on the *Exempt Use Certificate*, check box (g), and indicate in the space provided that they were purchasing such eligible promotional materials.

The new rules apply to sales made, services rendered, and uses occurring on or after March 1, 1997, regardless of whether the sale is made, the service is rendered, or the use occurs under a contract entered into prior to that date.

Section 1101(b)(12) of the Tax Law defines promotional materials as:

...[a]ny advertising literature, other related tangible personal property (whether or not personalized by the recipient's name or other information uniquely related to such person) and envelopes used exclusively to deliver the same. Such other related tangible personal property includes, but is not limited to, free gifts, complimentary maps or other items given to travel club members, applications, order forms and return envelopes with respect to such advertising literature, annual reports, promotional displays and Cheshire labels but does not include invoices, statements and the like.

The following explanations of the expanded exemption for promotional materials and certain services are referenced to the specific section of the Tax Law providing the exemption.

#### **Promotional Materials Exempt Under Section 1115(n)(4) of the Tax Law**

##### **Printed Promotional Materials**

Effective March 1, 1997, **printed promotional materials** mailed or shipped to destinations in the state are exempt from tax when all of the conditions listed below are met.

- The printed promotional materials are ultimately mailed or shipped to customers or prospective customers of the purchaser of the printed promotional materials.
- The printed promotional materials are mailed or shipped by the purchaser of the materials using a common carrier, the U.S. Postal Service or a like delivery service. (This requirement is also met if the mailing or shipping is arranged by a third party [such as a printer/mailer] on behalf of the purchaser of the promotional materials.)
- There is no charge to the purchaser's customer or prospective customer (ultimate recipient) for the promotional materials, or for mailing or shipping them.
- The purchaser of the promotional materials gives a properly completed Form ST-121.2, *Certificate of Exemption for Purchases of Promotional Materials*, to the seller of the promotional materials.

##### **Other Exempt Promotional Materials**

Promotional materials upon which services described in section 1105(c)(2) of the Tax Law have been or will be directly performed are also exempt from tax as of March 1, 1997, provided their delivery in the state meets the same conditions as listed above for **printed promotional materials**. Section 1105(c)(2) services consist of producing, fabricating, processing, printing, or imprinting tangible personal property, not purchased for resale, that is directly or indirectly furnished by the customer (that is, the purchaser of such promotional material).

TSB-M-97(6)S  
Sales Tax  
August 20, 1997

**Certain Services to Promotional Materials Exempt Under Section 1115(n)(5) of the Tax Law**

Services that would otherwise be taxable under section 1105(c)(2) of the Tax Law are exempt from tax when performed on promotional materials that are exempt from tax under section 1115(n)(4) of the Tax Law, as described above.

**(For purposes of examples 1, 2, 3, 4, 7, and 8 of this TSB-M, it is assumed that the purchaser of the exempt promotional materials or exempt services will furnish the seller of the exempt promotional materials or exempt services a properly completed Form ST-121.2; *Certificate of Exemption for Purchases of Promotional Materials*. It is also assumed that the promotional materials will be delivered to the purchaser's customers or prospective customers [ultimate recipients] without charge to those customers or prospective customers.)**

**Example 1.** A New York company purchases printed annual reports (promotional materials) from a printer/mailer located in New York, to be sent to shareholders in New York. The company also purchases blank envelopes from an office stationery company to be used as outside mailing envelopes exclusively for the mailing of the annual reports. The company's purchase of the annual reports is exempt from tax. Since the envelopes are used exclusively to deliver exempt promotional materials, the company may purchase the envelopes tax exempt.

The company also contracts with the printer/mailer to print mailing addresses and the company's logo on the outside of the envelopes and to mail the materials via the U.S. Postal Service to the company's shareholders in New York State. Since this printing service is performed on exempt promotional materials, the company may purchase the printing service exempt from tax.

**Example 2.** A New York company contracts with a printer/mailer located in New York to produce brochures (promotional materials) to be sent to customers in and out of New York via the U.S. Postal Service. Under the agreement, the New York company furnishes the printer/mailer the paper, ink, and printing plates to print the brochures, and envelopes in which the brochures will be mailed. The New York company also purchases a mechanical (artwork) and color separations for use in producing the printing plates supplied to the printer. The ink will also be used to print the company's logo on the envelopes in which the brochures will be mailed. In addition, the New York company provides the printer/mailer a customer/prospective customer mailing list in the form of address labels. The printer/mailer prepares the brochures, prints the New York company's logo on the envelopes, affixes the address labels, stuffs the brochures into the envelopes, and arranges for mailing with the Postal Service.

The paper, ink, mechanical (artwork), color separations and printing plates used in producing the promotional materials printed for the New York company by the printer are exempt from sales tax. The envelopes and address labels may be purchased exempt from tax by the New

**SECTION VII:**  
**STATE NEXUS QUESTIONNAIRES**

**NEXUS QUESTIONNAIRE:**  
**PENNSYLVANIA**



PA DEPARTMENT OF REVENUE

# **BUSINESS ACTIVITIES QUESTIONNAIRE**

Please Print or Type

**BUSINESS ACTIVITIES THAT MAY CREATE NEXUS IN PENNSYLVANIA:**

- Owning or leasing property
- Having employees or agents soliciting sales
- Delivering of property into the Commonwealth
- Maintaining a fixed location
- Installing or repairing of property
- Employee leasing services or personnel services
- Approving or accepting purchase orders
- Performing services, managerial or research activities
- Repossessing property
- Conducting training or seminars
- Providing transportation services
- Hiring, training or supervising personnel

**ACTIVITIES THAT MAY REPRESENT A DE MINIMIS PRESENCE IN PENNSYLVANIA FOR CORPORATE NET INCOME TAX:**

- Installation, for which no separate charge is made
- Purchasing activities
- Sales solicitation
- Incidental travel
- Having personal property incidentally in Pennsylvania

**ACTIVITIES THAT MAY CREATE NEXUS IN PENNSYLVANIA FOR MOTOR CARRIERS FOR CORPORATION TAXES:**

A truck or bus company is required to file a Corporate Net Income Tax or Foreign Franchise Tax report if its activities during the taxable year exceed either of the following standards:

- (a) Activity exceeds 50,000 loaded miles in Pennsylvania and the company makes at least one trip with pickups or deliveries in Pennsylvania; or
- (b) The company has a Pennsylvania apportionment fraction of more than 5 percent and has more than 12 trips with pickups or deliveries in Pennsylvania.

**ADDITIONAL ACTIVITIES THAT MAY REPRESENT A DE MINIMIS PRESENCE IN PENNSYLVANIA FOR THE FILING OF FOREIGN FRANCHISE TAX AND CORPORATE NET INCOME TAX:**

The following activities may be considered de minimis for purposes of filing a corporation tax return as long as activity does not exceed seven days and the revenue from all such activities does not exceed \$10,000:

- Solicitation of goods or services
- Installation, for which a separate charge is made
- Repair, maintenance and service activities
- Technical assistance or service activities
- Conducting training courses, seminars or lectures by a vendor that is incidental to the use of purchases, if free or for a nominal charge as compared to actual expenses
- Attendance at an organized show or flea market for the purpose of exhibiting goods and making sales of the goods

These standards have been abridged. For more details, consult the Corporation Tax Bulletin 2004-01, *Application of PL 86-272 and De Minimis Standards*, available at [www.revenue.state.pa.us](http://www.revenue.state.pa.us).

**A. GENERAL INFORMATION**

1a. Legal Name \_\_\_\_\_

1b. Doing Business As \_\_\_\_\_

3. Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP Code \_\_\_\_\_

2. Federal EIN



4. Type of business entity (Check one)

☐ Corporation☐ Non profit Corporation

(If you are a non profit entity, please submit a copy of the IRS letter granting you 501 status, if applicable.)

☐ Subchapter "S" Corporation☐ Limited Liability Co.☐ Partnership (submit a copy of the first page of your federal corporation or partnership filing)☐ Individual (Proprietorship)☐ Trust☐ Business Trust☐ Association☐ Restricted Professional Company

5. If the entity is not a corporation, please check one of the blocks below to indicate its Internal Revenue Service classification:

☐ As a corporation☐ As a disregarded entity

☐ As a partnership (submit a copy of the first page of your federal corporation or partnership filing)

6. The entity was formed \_\_\_\_/\_\_\_\_/\_\_\_\_ under the laws of \_\_\_\_\_

7. The entity's Pennsylvania Corporation Tax File (Box) Number is:



8. The entity files federal returns on a tax year ending \_\_\_\_\_ basis.

9. Other states this company conducts business in: \_\_\_\_\_

10. Identify names, addresses, and federal ID Numbers of corporations that are shareholders of your Sub Chapter "S" corporation(s) or that are members of your Limited Liability company/entity. If more space is needed, please attach a list.

Legal Name

Federal EIN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Doing Business As

Address

City

State

ZIP Code

Type of Business Entity

Legal Name

Federal EIN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Doing Business As

Address

City

State

ZIP Code

Type of Business Entity

Legal Name

Federal EIN

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Doing Business As

Address

City

State

ZIP Code

Type of Business Entity

11. If this company has registered with the PA Department of State, please provide the entity number assigned by the Department of State: \_\_\_\_\_

12. List the entity's Pennsylvania Sales & Use Tax License Number: \_\_\_\_\_

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

13. List the entity's Unemployment Compensation Account Number: \_\_\_\_\_

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

14. Describe activities performed in Pennsylvania by employees for whom Unemployment Compensation contributions are remitted to Pennsylvania: \_\_\_\_\_

## B. PENNSYLVANIA BUSINESS ACTIVITIES – PART I

1. Describe the principal business activities of the entity in Pennsylvania: \_\_\_\_\_

2. Describe the principal business activities of the entity elsewhere: \_\_\_\_\_

3. Indicate the date that the entity's activities in Pennsylvania first occurred: \_\_\_\_/\_\_\_\_/\_\_\_\_/

4. Indicate primary North American Industry Classification (NAICS) Code \_\_\_\_\_

### CUSTOMER SERVICE AND DELIVERY

1. Check the different ways in which the entity's personal property is delivered in Pennsylvania:

☐ Motor carrier ☐ US Mail ☐ Your agent ☐ Company vehicle ☐ Other (Explain) \_\_\_\_\_

2. Check the different media you use to reach Pennsylvania customers:

☐ Internet ☐ Telephone solicitations ☐ Catalogs placed in outlets ☐ Other (Describe) \_\_\_\_\_

3. Does this entity participate in trade shows or fairs in Pennsylvania? If so, are products sold directly to the customers or are orders taken and sent back to the home office for approval? \_\_\_\_\_

### MOTOR CARRIERACTIVITY

1. Is your company a motor carrier? ☐ YES ☐ NO

If the answer to this question is "yes", please complete all sections including Pennsylvania Motor Carrier Activities in Section D.



**B. PENNSYLVANIA BUSINESS ACTIVITIES – PART II**

1. Complete the table below detailing the indicated activities:

BUSINESS ACTIVITY	AMOUNT OF DAYS PERFORMED IN LATEST 12 MONTH PERIOD	TOTAL INCOME DERIVED FROM THE ACTIVITY	DATE FIRST PERFORMED IN PA (MM/DD/YYYY)
Occasional or regular visits to Pennsylvania to create a demand for your personal property or service			/ /
Soliciting sales of tangible personal property			/ /
Installation activities for which a separate charge is made			/ /
Repair, maintenance, and service activities			/ /
Technical assistance or service activities, including but not limited to, engineering assistance or design service			/ /
Training of your sales agents and distributors in Pennsylvania			/ /
Training courses, seminars or lectures by the vendor which is incidental to the use of personal property sold by him to persons in this Commonwealth			/ /
Attendance at an organized show or flea market for the purpose of exhibiting goods			/ /
Total any additional revenues earned in Pennsylvania not listed above.			

2. Complete the following schedule for all tangible property located in Pennsylvania:

YEAR	VALUE OF ALL PROPERTY OWNED IN PENNSYLVANIA	VALUE OF PROPERTY UNDER LEASE IN PENNSYLVANIA (AS A LESSOR OR LESSEE)
20 ____	\$	\$
20 ____	\$	\$
20 ____	\$	\$
20 ____	\$	\$

3. Complete the following schedule with respect to all Pennsylvania employees:

YEAR	TOTAL ANNUAL WAGES PAID TO EMPLOYEES WHO WORK TOTALLY OR PARTIALLY IN PENNSYLVANIA
20 ____	\$
20 ____	\$
20 ____	\$
20 ____	\$

4. Complete the following schedule with respect to Pennsylvania sales. (This includes sales of intangibles, sales of services, and sales of tangible property.):

YEAR	TOTAL OF ALL SALES IN PENNSYLVANIA
20 ____	\$
20 ____	\$
20 ____	\$
20 ____	\$

Answer the following based on the entity's activities in Pennsylvania. If the business is a corporation, responses should also reflect the activities of a partnership or similar association in which the corporation has an interest.

Is your company licensed, registered, authorized or certified to do business in Pennsylvania? . . . . ☐ YES ☐ NO

If the answer to the question above is yes and this company has already been provided tax identification numbers, list all other taxes and tax ID Numbers not listed above under which the entity remits taxes to Pennsylvania:

(a) Tax \_\_\_\_\_ Tax# \_\_\_\_\_ (b) Tax \_\_\_\_\_ Tax# \_\_\_\_\_

*If more space is needed please attach a list.*

**Property and other investments in Pennsylvania.**  
**Does this entity:**

1. Own real estate? . . . . . ☐ YES ☐ NO
2. Store inventory? . . . . . ☐ YES ☐ NO
3. Consign goods to vendors, independent contractors or others? . . . . . ☐ YES ☐ NO
4. Own display racks? . . . . . ☐ YES ☐ NO
5. Own tooling, molds, dies, etc., located at a manufacturing facility? . . . . . ☐ YES ☐ NO
6. Own other tangible property? . . . . . ☐ YES ☐ NO
- 6A. Own other tangible property i.e. aircraft, watercraft? . . . . . ☐ YES ☐ NO
7. Lease (as lessee) tangible property? . . . . . ☐ YES ☐ NO
8. Lease (as lessor) tangible property? . . . . . ☐ YES ☐ NO
9. Operate a mobile store? . . . . . ☐ YES ☐ NO
10. Own an interest in an entity or person that does business in Pennsylvania, and that entity or person is not taxable as a corporation for federal tax purposes? . . . . . ☐ YES ☐ NO

**Employee or representative activity in Pennsylvania.**  
**Does this entity perform any of the following activities by employees, agents, independent contractors, or other representatives in Pennsylvania?**

11. Solicit sales (including exhibition at trade shows)? . . . . . ☐ YES ☐ NO
12. Approve sales (including tangible and intangible assets)? . . . . . ☐ YES ☐ NO
13. Provide a service (including consulting)? . . . . . ☐ YES ☐ NO
14. Solicit, negotiate, or enter into franchising, licensing or similar agreements? . . . . . ☐ YES ☐ NO
15. Operate mobile stores i.e. vehicles with drivers who are sales personnel making sales from said vehicles? . . . . . ☐ YES ☐ NO
16. Make repairs or provide maintenance to property sold or to be sold? . . . . . ☐ YES ☐ NO
17. Collect current or delinquent accounts? . . . . . ☐ YES ☐ NO
18. Perform site visits, or supervise or inspect installations? . . . . . ☐ YES ☐ NO
19. Repossess property? . . . . . ☐ YES ☐ NO
20. Investigate credit worthiness of customers? . . . . . ☐ YES ☐ NO
21. Secure deposits on sales? . . . . . ☐ YES ☐ NO
22. Conduct training courses, seminars or lectures? . . . . . ☐ YES ☐ NO

23. Is this limited to individuals soliciting sales of tangible personal property? . . . . . ☐ YES ☐ NO
24. Provide technical assistance or service? . . . . . ☐ YES ☐ NO  
Is this limited to the facilitation of the solicitation of sales of tangible personal property? . . . . . ☐ YES ☐ NO
25. Handle customer complaints? . . . . . ☐ YES ☐ NO  
Is this limited to mediating complaints when the sole purpose is to ingratiate tangible personal property sales personnel with the customer? . . . . . ☐ YES ☐ NO
26. Hire, train, or supervise personnel? . . . . . ☐ YES ☐ NO  
Is this limited to personnel involved in the solicitation of sales of tangible personal property? . . . . . ☐ YES ☐ NO
27. Pickup or replace damaged or returned property? . . . . . ☐ YES ☐ NO
28. Maintain an office as lessee or owner of the office location? . . . . . ☐ YES ☐ NO
29. Maintain a sample or display room? . . . . . ☐ YES ☐ NO  
Is one maintained for more than 14 days during a tax year? . . . . . ☐ YES ☐ NO
30. Carry samples from which sales, exchanges or distributions are made for consideration? . . . . . ☐ YES ☐ NO
31. Maintain an office? . . . . . ☐ YES ☐ NO
32. Is this limited to an in-home office that is not attributed to the company and that is used solely in connection with the solicitation of the sales of tangible personal property? . . . . . ☐ YES ☐ NO
33. Lease employees? . . . . . ☐ YES ☐ NO
34. Maintain a telephone answering service? . . . . . ☐ YES ☐ NO
35. Inspect customer installation of company's product? . . . . . ☐ YES ☐ NO
36. Provide services to a Pennsylvania franchisee? . . . . . ☐ YES ☐ NO
37. Execute contracts? . . . . . ☐ YES ☐ NO
38. Foreclose on real estate? . . . . . ☐ YES ☐ NO
39. Make loans secured by Pennsylvania real estate? . . . . . ☐ YES ☐ NO
40. Hold titles to property until the contract price has been paid? . . . . . ☐ YES ☐ NO
41. Ship products by returnable containers? . . . . . ☐ YES ☐ NO
42. Deliver products in company-owned vehicles? . . . . . ☐ YES ☐ NO
43. Sell new tires for motor vehicles? . . . . . ☐ YES ☐ NO
44. Lease or rent motor vehicles? . . . . . ☐ YES ☐ NO

### C. INDEPENDENT REPRESENTATIVES

Are you a manufacturer's representative? ..... ☐ YES ☐ NO

If you are a manufacturer's representative, please attach a list of the names and addresses of each business entity you represent in Pennsylvania.

If you have a contract with a manufacturer's representative(s) to market your product or service to Pennsylvania customers, please attach a list of the name(s) and address(es) of each.

### D. PENNSYLVANIA MOTOR CARRIER ACTIVITIES

1. Is your company a: (Check all that apply)

☐ Common Carrier ☐ Contract Carrier ☐ Private Carrier ☐ Lessor of motor vehicles to other trucking companies

2. Does your company deliver goods, passengers, products or commodities to destinations in Pennsylvania? ..... ☐ YES ☐ NO

2a. If your answer is yes, indicate when this activity began: (month/year) \_\_\_\_\_

2b. How often are deliveries made to Pennsylvania?

\_\_\_\_\_ times per week; \_\_\_\_\_ times per month; or \_\_\_\_\_ times per year

3. Does your company pickup goods, passengers, products or commodities at locations in Pennsylvania? ..... ☐ YES ☐ NO

3a. If your answer is yes, indicate when this activity began: (month/year) \_\_\_\_\_

3b. How often are pickups made in Pennsylvania?

\_\_\_\_\_ times per week; \_\_\_\_\_ times per month; or \_\_\_\_\_ times per year

4. Does your company haul goods, passengers, products or commodities from one location in Pennsylvania to another location in Pennsylvania? ..... ☐ YES ☐ NO

5. What percentage of your business (loaded mileage) is in Pennsylvania? \_\_\_\_\_

If your company is a private carrier, please attach a list of related companies (parent, affiliate and subsidiaries).

*Please attach copies of your IFTA Quarterly Tax Returns showing your Pennsylvania miles for the past 4 years.*

### E. AFFIRMATION

I hereby affirm under penalties prescribed by law that this questionnaire has been examined by me, and to the best of my knowledge and belief is true, correct, and complete. If prepared by a person other than the taxpayer, statements are based on all information of which preparer has knowledge. The preparer also must complete the information below:

Date ( )	Print Name of Owner/Officer/Partner ( )	Signature
Telephone Number	Fax Number	Company Web site Address (if applicable)
<hr/>		
Date ( )	Print Name of Preparer ( )	Signature
Telephone Number	Fax Number	E-mail Address

*Please attach additional information to this questionnaire, if it is required to explain your business activities in Pennsylvania. Thank You.*

**MAIL COMPLETED FORM TO:**

[ ]

**NEXUS QUESTIONNAIRE:**

**NEW JERSEY**



**STATE OF NEW JERSEY DEPARTMENT OF TREASURY**  
**DIVISION OF TAXATION**  
**NEXUS AUDIT GROUP**  
**PO BOX 269, TRENTON NJ 08695-0269**  
**NEXUS QUESTIONNAIRE**

The purpose of this form is to determine the extent of your company's business activity WITHIN the State of New Jersey. Please answer all questions. You may attach additional riders if necessary.

**A: GENERAL INFORMATION**

**1. Identification**

Legal Name \_\_\_\_\_

Business or Trade Name \_\_\_\_\_

Employer Federal ID Number (FEIN) \_\_\_\_\_

New Jersey State Corporation Number \_\_\_\_\_

**Headquarters/Main Office**

Address \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Web Address \_\_\_\_\_

Contact Person \_\_\_\_\_

Email Address \_\_\_\_\_

Telephone \_\_\_\_\_

FAX \_\_\_\_\_

**2. Type of Business Entity (check one)**

☐

**Corporation:**

State of Incorporation \_\_\_\_\_

Date of Incorporation \_\_\_\_\_

☐

**Partnership:** List all Partners, FID or SSN#, and Addresses on a separate rider

☐

**Proprietorship:** List Owner Name and Social Security Number

Owner Name \_\_\_\_\_

SSN# \_\_\_\_\_

☐

**Limited Liability:** List type (e.g. LLC, LLP, Single Member) \_\_\_\_\_

a) Indicate which form you file with the IRS (e.g., 1120, 1065) \_\_\_\_\_

b) If you file form 1065, list all members with FID or SSN# and address on a rider.

c) If you are a Disregarded Entity, list the owner or owners with FID or SSN# and address on a rider.

☐

**Tax Exempt or Non-Profit:** Please attach IRS Documentation

**3. List all certificates, registrations, licenses, and authorizations issued by any New Jersey State Agencies and date issued. Complete even if certificates etc. have expired or been withdrawn. In such cases indicate ending date. (If none, write none.)**

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

4. Did your organization, currently or at any time, have any agents, independent representatives, subcontractors, third parties, etc. who worked on your behalf in New Jersey?

☐ No

☐ Yes. Please state the names and addresses of all agents, independent representatives, sub-contractors, third parties, etc. who worked on your behalf in New Jersey, on a separate rider.

5. Provide the address where the books and records are located.

Street \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Contact Person and Phone Number \_\_\_\_\_

If the books and records are located in New Jersey, please provide the date that the location was established.

6. Provide the address where the actual seat of Management and Control is located.

Street \_\_\_\_\_

City, State & Zip \_\_\_\_\_

Contact Person and Phone Number \_\_\_\_\_

If located in New Jersey, please provide the date that the location was established.

7. Is this entity related to any others (parent, subsidiary, etc.) with business activities in New Jersey?

☐ No

☐ Yes; please provide the complete name and address of each related company, the manner in which it is related and the type of business conducted in the State of New Jersey. Also, if this entity has or had at any time, any activity at any related company's New Jersey address, please describe, in detail, any inter-company transactions. Please provide the aforementioned on a separate rider.

8. Is this entity a partner in a partnership doing business in New Jersey?

☐ No

☐ Yes; please provide the name and address of partnership and all partners on a separate rider. Also indicate the date that this entity became a partner, and the date that the partnership commenced business in New Jersey. If a partner in more than one partnership doing business in New Jersey, please provide separate riders for each

9. Status of Business

☐ Active

☐ Dormant, Inactive

☐ Dissolved (*Attach Certificate of Dissolution*)

☐ Non Survivor of Merger (*Please provide the following information on a separate rider: date of merger, name, address and Federal ID# of surviving entity.*)

☐ Other (*Please provide details on a separate rider.*)

10. Total gross revenue for past 4 years as reported to IRS:

Tax Year	Gross Revenue	Tax Year	Gross Revenue
_____	_____	_____	_____

Tax Year	Gross Revenue	Tax Year	Gross Revenue
_____	_____	_____	_____

11. Total gross income from New Jersey for past 4 years:

Tax Year	NJ Revenue	Tax Year	NJ Revenue
_____	_____	_____	_____

Tax Year	NJ Revenue	Tax Year	NJ Revenue
_____	_____	_____	_____

**B: BUSINESS ACTIVITIES**

1. Nature of business activity conducted everywhere: \_\_\_\_\_

a. Federal Business Activity Code: \_\_\_\_\_

2. Nature of Business Activity conducted in New Jersey: \_\_\_\_\_

3. Did this company **NOW OR EVER** conduct any of the following activities In New Jersey:

If "YES", Insert first date (Month and Year) in "Yes" box. If "No", insert "X" in No box

	YES MONTH/YEAR	NO "X"
a. Do any business or conduct any type of activity in New Jersey?	<input type="text"/>	<input type="text"/> a
b. Derive any type of income from sources located in New Jersey (sales receipts, fees for services, franchise fees, royalties, licensing fees, etc)? Specify type: _____	<input type="text"/>	<input type="text"/> b
c. Have employees, officers, agents and/or independent representatives working in New Jersey on behalf of the Company?	<input type="text"/>	<input type="text"/> c
d. Solicit sales in New Jersey? If yes, check any that apply: <input type="checkbox"/> For tangible personal property <input type="checkbox"/> For intangible property <input type="checkbox"/> For Services	<input type="text"/>	<input type="text"/> d
e. Sell any type of goods, property or services to customers located in New Jersey? If yes, check any that apply: <input type="checkbox"/> Tangible personal property to resellers <input type="checkbox"/> Tangible personal property to end users. <input type="checkbox"/> Services performed in New Jersey <input type="checkbox"/> Services performed outside New Jersey	<input type="text"/>	<input type="text"/> e
f. If tangible personal property is sold, check if any of the following activities are performed in New Jersey: <input type="checkbox"/> Make repairs or provide maintenance <input type="checkbox"/> Collect current or delinquent accounts <input type="checkbox"/> Investigate credit worthiness <input type="checkbox"/> Install or supervise installation <input type="checkbox"/> Conduct training other than for solicitation <input type="checkbox"/> Give technical assistance other than for solicitation <input type="checkbox"/> Resolve Customer complaints <input type="checkbox"/> Approve or accept orders <input type="checkbox"/> Repossess property <input type="checkbox"/> Secure deposits on sales <input type="checkbox"/> Pick up or replace damaged or returned property <input type="checkbox"/> Hire or train personnel other than for solicitation <input type="checkbox"/> Use agency stock checks <input type="checkbox"/> Have a display at a New Jersey location in excess of 14 days <input type="checkbox"/> Carry samples for sale or exchange <input type="checkbox"/> Have goods on consignment	<input type="text"/>	<input type="text"/> f

	YES MONTH/YEAR	NO "X"
g. Lease tangible property to others for use in New Jersey? (If yes, attach a copy of the lease agreement)	<input type="text"/>	<input type="text"/> g
h. License the use of any type of intangible rights from which royalties, licensing fees, etc., are derived from the use of these rights in New Jersey (software licenses, trademarks, etc.)?	<input type="text"/>	<input type="text"/> h
i. Perform any type of service in New Jersey (other than for solicitation of sales) such as constructing, erecting, installing, repairing, consulting, training, conducting seminars or meetings, credit investigations by employees, agents, sub-contractors, and/or independent representatives?	<input type="text"/>	<input type="text"/> i
j. Provide any technical assistance or expertise in New Jersey by employees, agents, subcontractors, and/or independent representatives?	<input type="text"/>	<input type="text"/> j
k. Perform any detail work by employees, agents, representatives and/or subcontractor, such as taking inventory, stocking shelves, maintaining displays, arranging delivery, etc.?	<input type="text"/>	<input type="text"/> k
l. Carry goods, merchandise, inventory, etc., into New Jersey for direct sale to customers in New Jersey?	<input type="text"/>	<input type="text"/> l
m. Provide any type of maintenance program which is performed in New Jersey by either this entity or a hired independent contractor?	<input type="text"/>	<input type="text"/> m
n. Have employees, independent contractors, and/or other representatives with in-home offices in New Jersey for which they are reimbursed for expenses other than telephone or travel?	<input type="text"/>	<input type="text"/> n
o. Have the use of any office or any type of facility in New Jersey (whether owned or leased)?	<input type="text"/>	<input type="text"/> o
p. Have the use of any property located in New Jersey (whether owned or leased)?	<input type="text"/>	<input type="text"/> p
q. Have a telephone listing in New Jersey? If yes, provide phone number and address _____	<input type="text"/>	<input type="text"/> q
r. Own or lease vehicles, registered in New Jersey, which are provided to people who are <u>NOT SALESPEOPLE</u> ? If "yes", please provide full details on a separate rider.	<input type="text"/>	<input type="text"/> r
s. Have any type of property located in New Jersey (whether owned, leased or rented, real estate, consignments, inventory, merchandise, drop shipments, etc.)?	<input type="text"/>	<input type="text"/> s
t. Collect and/or remit New Jersey Gross Income Tax Withholding from employees at any time?	<input type="text"/>	<input type="text"/> t
u. Collect and/or remit New Jersey Sales Tax at any time?	<input type="text"/>	<input type="text"/> u

**AFFIRMATION:**

I hereby certify that this report including any accompanying rider is to the best of my knowledge a true, correct and complete report.

Date \_\_\_\_\_  
 Print Name \_\_\_\_\_  
 Signature \_\_\_\_\_  
 Title \_\_\_\_\_

**RETURN TO:**

**NEXUS AUDIT GROUP**  
**P O Box 269**  
**TRENTON, NJ 08695-0269**  
**PHONE: 609-984-5749**



# **NEXUS QUESTIONNAIRE:**

**NEW YORK**

---

## Rules for out of state businesses

---

*Even though you are located in another state, if you have customers in New York State, you may be considered a vendor for New York State sales tax purposes*

Even though you are located outside of New York State, if you have customers in New York State, you may be required to register as a vendor for New York State and local sales tax purposes, if you have sufficient connection with New York State. For example, if you are located outside New York State, make sales of taxable products to persons within New York State, and regularly deliver the products in your trucks to your New York State customers, you have sufficient connection with New York State and must register as a vendor and collect and remit sales tax. Also, if you solicit sales of taxable products or services through employees, salespersons, independent agents, or service representatives located in New York State, you must register as a vendor for New York State sales tax purposes.

If the only connection you have with New York State is the delivery of your products into the state by U.S. Postal Service or common carrier, you are not required to register or collect sales tax. Thus, some out of state businesses (including some mail order companies) may not have sufficient connection with New York State to be required to collect and remit sales tax.

Although, as an out of state business, you may not be required to collect sales tax from your customers in New York State, your customers are still responsible for the tax on their purchases. The use tax complements the sales tax; one of the times it applies is when a New York resident purchases taxable products or services outside of New York State and then brings them into New York for use here. For more information, please see Publication 774, *Purchaser's Obligations to Pay Sales and Use Taxes Directly to the Tax Department: Questions and Answers*.

Although you may not have sufficient connection with New York State to require you to be registered, you may voluntarily register as a vendor to collect and remit the sales tax that is otherwise due from the purchaser. You will then have the same obligations as vendors that are required to register with the Tax Department.

If you are required to register as a vendor, or if you voluntarily register, you must collect sales tax on all your taxable sales delivered by you, or for you, to the purchaser, or the purchaser's designee, in this state. The tax due is the combined state and local rate in effect in the locality where the taxable product or service is delivered.

## **SALES & USE TAX GUIDELINES FOR PENNSYLVANIA, NEW JERSEY AND NEW YORK**

### **C O S T :**

Printing Industries Alliance Members: Free  
Non-Members: \$400.00