



# Exempt Use Certificate

To be completed by the purchaser and given to the seller

Name of seller	Name of purchaser
Street address	Street address
City State ZIP code	City State ZIP code
Purchaser's <i>Certificate of Authority</i> number	

Check one:

- Single purchase certificate     Blanket certificate

**You cannot use this form to purchase motor fuel or diesel motor fuel exempt from tax.**

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.

*(Please read the instructions 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 (G) are exempt from all state and local sales and use taxes.**

- (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.
- (B) Tangible personal property used or consumed in the production of a film for sale (valid for purchases made on or after December 1, 2002).
- (C) Tangible personal property used or consumed in providing telecommunications or Internet access services for sale.
- (D) Machinery, equipment, and apparatus (including parts, tools, and supplies) (1) used or consumed to upgrade cable television systems to provide digital cable television service for sale, or (2) purchased by a cable television service company to provide Internet access services for sale. (This exemption expires September 1, 2003.)
- (E) 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.

- (F) 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.
- (G) 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

**Purchases described in (H) 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.**

- (H) 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

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

(I) Installing, repairing, maintaining, or servicing qualifying property listed in Part I, (A) through (E). Please indicate the type of qualifying property being serviced by checking the applicable box(es):

- (A)       (B)       (C)       (D)       (E)

(J) Producing, fabricating, processing, printing, and imprinting, including editing, dubbing, and mixing, qualifying property listed in Part I, (B) and (E). Please indicate the type of qualifying property being serviced by checking the applicable box(es):      (B)       (E)

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**Part III — Other exemptions (exempt from all state and local sales and use taxes)**

(K) Tangible personal property used in research and development.

(P) Commercial vessels (including certain property and services).

(L) Purchases of the following used in research and development (check one or more boxes):

(Q) Commercial aircraft (including certain machinery and equipment) and flight simulators purchased by commercial airlines.

gas       electricity

(R) Commercial fishing vessels (including certain property).

refrigeration       steam

(S) Pollution control equipment.

gas, electric, refrigeration, or steam service

(M) Cartons, containers, and other wrapping and packaging materials and supplies that are actually transferred to the purchaser.

(T) Other — describe exempt use and identify the section of the Tax Law covering this exemption.

(N) Certified enhanced emissions inspection equipment for testing and inspecting motor vehicles. **Enter** your inspection station license number:

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

(O) Alternative fuel vehicle refueling property, and the service of installing this property.

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**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.

Signature of purchaser or purchaser's representative ( <i>give title and relationship</i> )	Date
Type or print the name that appears in the signature box	

## 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

**(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.) This exemption is effective December 1, 2002 (valid for purchases made on or after December 1, 2002).

**(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.

**(D)** — You may purchase, exempt from tax, machinery, equipment, and apparatus (including parts, tools, and supplies used in connection with this machinery, equipment, and apparatus) used or consumed **directly** and **predominantly** to upgrade cable television systems to allow for the receiving, initiating, amplifying, processing, transmitting, retransmitting, switching, or monitoring of switching of digital cable television services for sale. If you are principally engaged in furnishing cable television service for sale, you may also purchase, exempt from tax, equipment or apparatus used or consumed in the receiving, initiating, amplifying, processing, transmitting, retransmitting, switching or monitoring of switching of Internet access service for sale, including parts, tools, and supplies used in connection with this equipment or apparatus.

**(E)** — 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.)

**(F)** — 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.

**(G)** — 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.

**(H)** — You may purchase, exempt from tax (except for the local tax imposed on sales and uses in the city of New York), 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

**(I)** — You may purchase the services of installing, repairing, maintaining, and servicing qualifying property listed in Part I, (A) through (E) exempt from all state and local sales and use taxes.

**(J)** — 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 (E) exempt from tax.

Purchases described in Part II are exempt from all state and local sales and use taxes (including New York City).

### Part III — Other exemptions - exempt from all state and local sales and use taxes

**(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

## Instructions (cont'd)

**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.

**(N)**—Enhanced emissions inspection equipment certified by the Department of Environmental Conservation 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)**—*Alternative fuel vehicle refueling property* is defined as property predominantly used either for (1) the storage or dispensing of alcohol, natural gas, propane, or hydrogen into the fuel tank of an alternative fuel vehicle, or (2) property used predominantly in the recharging of an electric vehicle. The storage, dispensing, or recharging must take place at the point where the fuel is delivered into the fuel tank of the vehicle or where the electric vehicle is recharged. Other qualifications for the exemption for this property are that it be subject to an allowance for depreciation and that its original use begins with the purchaser. This exemption is also allowed for the service of installing alternative fuel vehicle refueling property.

**(P)**—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.)

**(Q)**—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.)

**(R)**—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.)

**(S)**—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.

**(T)**—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.

### 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, 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 produced, 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 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)
- 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 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 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?

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: [www.tax.state.ny.us](http://www.tax.state.ny.us)

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