

# Certificate of Exemption

**Purchaser:** Complete this certificate and **give it to the seller.**

**Seller:** If this certificate is not fully completed, you must charge sales tax. Keep this certificate as part of your records.

This is a blanket certificate, unless one of the boxes below is checked, and remains in force as long as the purchaser continues making purchases, or until otherwise cancelled by the purchaser.

Check if this certificate is for a single purchase and enter the related invoice/purchase order # \_\_\_\_\_.

If you are a contractor and have a purchasing agent agreement with an exempt organization, check the box to make multiple purchases for a specific job. Enter the exempt entity name and specific project:

Exempt entity name \_\_\_\_\_ Project description \_\_\_\_\_

Please print	Name of purchaser _____			
	Business address _____	City _____	State _____	Zip code _____
	Purchaser's tax ID number _____		State of issue _____	Country of issue _____
	If no tax ID number, enter one of the following:	FEIN _____	Driver's license number/State issued ID number _____	
			state of issue _____	number _____
	Name of seller from whom you are purchasing, leasing or renting _____			
	Seller's address _____	City _____	State _____	Zip code _____

**Type of business.** Circle the number that describes your business.

Type of business	01 Accommodation and food services	11 Transportation and warehousing
	02 Agricultural, forestry, fishing, hunting	12 Utilities
	03 Construction	13 Wholesale trade
	04 Finance and insurance	14 Business services
	05 Information, publishing and communications	15 Professional services
	06 Manufacturing	16 Education and health-care services
	07 Mining	17 Nonprofit organization
	08 Real estate	18 Government
	09 Rental and leasing	19 Not a business (explain) _____
	10 Retail trade	20 Other (explain) _____

**Reason for exemption.** Circle the letter that identifies the reason for the exemption.

Reason for exemption	A Federal government (department) _____	I Industrial production/manufacturing
	B Specific government exemption (from list on back) _____	J Direct pay permit # _____
	C Tribal government (name) _____	K <del>MPU exemption is no longer valid; repealed March 8, 2008</del> (multiple purchases, or electronically)
	D Foreign diplomat # _____	L Direct mail
	E Charitable organization # _____	M Other (enter number from back page) _____
	F Religious or educational organization # _____	N Percentage exemption
	G Resale	<input type="checkbox"/> Advertising (enter percentage) _____ %
	H Agricultural production	<input type="checkbox"/> Utilities (enter percentage) _____ %

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief. (PENALTY: If you try to evade paying sales tax by using an exemption certificate for items or services that will be used for purposes other than those being claimed, you may be fined \$100 under Minnesota law for each transaction for which the certificate is used.)

Signature of authorized purchaser \_\_\_\_\_ Print name here \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

# Exemption descriptions

See the Form ST3 instructions and exemption descriptions for more information about the following exemptions.

Purchasers are responsible for knowing if they qualify to claim exemption from tax and will be held liable for any use tax, interest and possible penalties due if the items purchased are not eligible for exemption.

## A. Federal government

Fill in department.

## B. Specific government exemption

- Ambulances
- Biosolids processing equipment
- Bullet-resistant body armour
- Chore/homemaking services
- Correctional facility meals or drinks
- Emergency rescue vehicle repair and replacement parts
- Emergency vehicle accessory items
- Firefighter equipment
- Hospitals
- Libraries
- Metropolitan Council
- Nursing homes
- Petroleum products used by government
- Solid waste disposal facility
- State or local government agency from another state
- Townships (gravel, machinery and equipment used for road and bridge maintenance)
- Transit program vehicles

## C. Tribal government

Fill in the name of the Tribe.

## D. Foreign diplomat

Fill in the number issued to the foreign diplomat.

## E. Charitable

Includes nonprofit hospitals, nursing homes, ambulance services and outpatient surgical centers. Exempt status number is required.

## F. Religious and educational

Churches, schools, school districts, scouts, youth groups, etc.

## G. Resale

Items or services purchased for resale.

## H. Agricultural production

Materials and supplies used or consumed in agricultural production of items intended to be sold ultimately at retail. Does not cover furniture, fixtures, machinery, tools (except qualifying detachable tools and special tooling) or accessories used to produce a product.

## I. Industrial production

Materials and supplies used or consumed in industrial production of items intended to be sold ultimately at retail. Does not cover furniture, fixtures, machinery, tools (except qualifying detachable tools and special tooling) or accessories used to produce a product.

## J. Direct pay

Direct pay number issued by the Department of Revenue. Cannot be used for meals, lodging and most services.

## K. MPU exemption is no longer valid; repealed March 8, 2008

Services or electronically delivered computer software concurrently available for use in more than one taxing jurisdiction at the time of purchase.

## L. Direct mail services

## M. Other exemptions

1. Airflight equipment
2. Ambulances
3. Aquaculture production equipment
4. Automatic fire-safety sprinkler systems
5. Exempt publications
6. Farm machinery
7. Handicapped accessible (building materials)
8. Handicapped accessible (vehicle costs)
9. Horse materials
10. Instructional materials for high school or higher
11. Job opportunity building zones (JOBZ)
12. Logging equipment

13. Materials used for business in a state where no sales tax applies
14. Materials used to provide taxable services
15. Medical supplies for a health-care facility
16. Motor carrier direct pay - enter MCDP #
17. Packing materials used to ship household goods outside Minnesota
18. Poultry feed
19. Prizes used for games at fairs or other events lasting fewer than six days
20. Purchasing agent agreement with exempt organization
21. Repair or replacement parts used in another state/country as part of a maintenance contract
22. Resource recovery facility - enter CN #
23. Senior citizen group (exempt status number required)
24. Ship replacement parts and lubricants
25. Ski area items
26. Solar energy systems
27. Taconite production items
28. Telecommunications equipment
29. Tribal government construction contract
30. TV commercials
31. Veteran organizations
32. Waste-management containers and compactors
33. Wind energy systems
34. Lump-sum construction contract - temporary exemption for new local tax on building materials
35. Preexisting construction contracts and bids - temporary exemption (in effect July 1, 2009 - December 31, 2009) from new state general tax rate increase on building materials

## N. Percentage exemptions

Advertising materials for use outside Minnesota or local taxing area.

Utilities used in agricultural or industrial production.

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions

Forms and fact sheets are available on our website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us).

### Purchasers

Complete this certificate and give it to the seller. Do not send it to the Department of Revenue.

You must include your Minnesota tax identification number if you have one.

**Warning to purchaser:** Purchasers are responsible for knowing if they qualify to claim exemption from tax and will be held liable for any use tax, interest and possible penalties due if the items purchased are not eligible for exemption.

### Sellers

Keep this certificate as part of your records. Accepting a fully completed exemption certificate relieves you from collecting the tax. If this certificate is not fully completed, you must charge sales tax. You may be required to provide this exemption certificate (or the data elements required on the form) to the state to verify this exemption.

### Exemption descriptions

Use Form ST3, Certificate of Exemption, to claim the following exemptions. Fact sheets are available for some of the items as noted. Contact our office for details about other exemptions not listed here.

**A. The federal government** may provide purchase orders, payment vouchers, work orders or complete Form ST3.

**B. Specific government exemptions.** Fill in the title from the list below. For more information, see *Fact Sheet 142, Sales to Governments* and/or *Fact Sheet 135, Fire Fighting, Police and Emergency Equipment*. Also *Fact Sheet 139, Libraries*.

- Ambulances
- Biosolids processing equipment
- Bullet-resistant body armour
- Chore/homemaking services
- Correctional facility meals or drinks

- Emergency rescue vehicle repair and replacement parts
- Emergency vehicle accessory items
- Firefighter equipment
- Hospitals
- Libraries
- Metropolitan Council
- Nursing homes
- Petroleum products used by government
- Solid waste disposal facility
- State or local government agency from another state
- Townships (gravel, machinery and equipment used for road and bridge maintenance)
- Transit program vehicles

**C. Tribal government.** All sales to Indian tribal governments are exempt.

**D. Foreign diplomat.** Sales tax exemption cards are issued to some foreign diplomats and consular officials stationed in this country. Fill in the number issued to the foreign diplomat.

**E. Charitable organizations.** Must be operated exclusively for charitable purposes. Includes nonprofit hospitals, nursing homes, ambulance services and outpatient surgical centers. You must apply for and receive an exempt status number from the Department of Revenue. Enter the number on Form ST3. (Some nonprofit organizations do not qualify for sales tax exemption.) *Fact Sheet 172, Health Care Facilities*.

**F. Religious and educational organizations.** Churches, schools, school districts, scouts, youth groups, etc., operated exclusively for religious or educational purposes can use Form ST3 without an exemption number or may apply for an exempt status number from the Department of Revenue.

**G. Resale.** Items or services must be purchased for resale in the normal course of business.

**H. Agricultural production.** Materials and supplies used or consumed in agricultural production of items intended to be sold ultimately at retail. Does not cover furniture, fixtures, machinery, tools (except qualifying detachable tools and special tooling) or accessories used to produce a product. *Fact Sheet 100, Agricultural Production*.

**I. Industrial production.** Materials and supplies used or consumed in industrial production of items intended to be sold ultimately at retail. Does not cover furniture, fixtures, machinery, tools (except qualifying detachable tools and special tooling) or accessories used to produce a product. *Fact Sheet 145, Industrial Production*.

**J. Direct pay.** Allows the buyer to pay sales tax on certain items directly to the state instead of to the seller. Applicants must be registered to collect sales tax in order to qualify and must apply for and receive approval and a direct pay number from the Department of Revenue. Enter the direct pay number on Form ST3.

**K. MPU exemption is no longer valid, repealed March 8, 2008.** Multiple services or electronically delivered computer software that is concurrently available for use in more than one taxing jurisdiction at the time of purchase. Purchaser is responsible for apportioning and remitting the tax due to each taxing jurisdiction.

**L. Direct mail.** Allows the buyer to pay sales tax on direct mail directly to the state instead of to the seller. Direct mail is printed material that meets the three following criteria:

- it is delivered or distributed by U.S. Mail or other delivery service;
- it is sent to a mass audience or to addresses on a mailing list provided by the purchaser or at the direction of the purchaser; and
- the cost of the items is not billed directly to recipients.

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions (continued)

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### M. Other exemptions

- 1. Airflight equipment.** Must be purchased by an airline company taxed under M.S. 270.071 through 270.079.
- 2. Ambulances** - privately owned (leases of vehicles used as ambulances). Must be used by an ambulance service licensed by the EMS Regulatory Board under section 144E.10.
- 3. Aquaculture production equipment.** Qualifying aquaculture production equipment, and repair or replacement parts used to maintain and repair it. *Fact Sheet 130, Aquaculture Production Equipment.*
- 4. Automatic fire-safety sprinkler systems.** Fire-safety sprinkler systems and all component parts (including waterline expansions and additions) are exempt when installed in an existing residential dwelling, hotel, motel or lodging house that contains four or more dwelling units.
- 5. Exempt publications.** Materials and supplies used or consumed in the production of newspapers and publications issued at average intervals of three months or less. Includes publications issued on CD-ROM, audio tape, etc.
- 6. Farm machinery.** Qualifying farm machinery, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 106, Farm Machinery.*
- 7. Handicapped accessible (residential building materials).** Building materials and equipment purchased by nonprofit organizations if the materials are used in an existing residential structure to make it handicapped accessible, and the homeowner would have qualified for a refund of tax paid on the materials under M.S. 297A.71, subd. 11 or subd. 22. Nonprofit organizations include those entities organized and operated exclusively for charitable, religious, educational or civic purposes; and veteran groups exempt from federal taxation under IRC 501 (c)(19).
- 8. Handicapped accessible (vehicle costs).** Conversion costs to make vehicles handicapped accessible. Covers parts, accessories and labor.
- 9. Horse materials.** Covers consumable items such as feed, medications, bandages and antiseptics purchased for horses. Does not cover machinery, tools, appliances, furniture and fixtures. *Fact Sheet 144, Veterinary Practice.*
- 10. Instructional materials** required for study courses by high school, college or private career school students (M.S. 297A.67, subd. 13a)
- 11. Job opportunity building zones (JOBZ).** Applies to all goods and taxable services purchased by a qualified business and primarily used in the zone. Also includes purchases by a qualified business or a contractor of construction materials and supplies to construct improvements to real property if the property is used by a qualified business within the zone.
- 12. Logging equipment.** Qualifying logging equipment, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 108, Logging Equipment.*
- 13. Materials used for business outside Minnesota** in a state where no sales tax applies to such items; or for use as part of a maintenance contract. This exemption applies only if the items would not be taxable if purchased in the other state (e.g., a state that does not have sales tax).
- 14. Materials used to provide taxable services.** Materials must be used or consumed directly in providing services taxable under M.S. 297A.61, subd. 3.
- 15. Medical supplies for a health-care facility.** Purchases by a licensed health care facility, outpatient surgical center or licensed health-care professional of medical supplies used directly on a patient or resident to provide medical treatment. The exemption does not apply to equipment, lab or radiological supplies, etc. *Fact Sheet 172, Health Care Facilities.*
- 16. Motor carrier direct pay.** Allows motor carriers to pay tax directly to the state when they lease mobile transportation equipment or buy certain parts and accessories. Applicants must be registered for sales tax in order to apply. You must apply for and receive approval and MCDP# from the Department of Revenue. Enter the MCDP# on Form ST3. *Fact Sheet 107, Interstate Motor Carriers.*
- 17. Packing materials.** Packing materials used to pack and ship household goods to destinations outside of Minnesota.
- 18. Poultry feed.** The poultry must be for human consumption.
- 19. Prizes.** Items given to players as prizes in games of skill or chance at events such as community festivals, fairs and carnivals lasting fewer than six days.
- 20. Purchasing agent.** Allows a business who has been appointed as a purchasing agent by an exempt organization to make purchases exempt from sales tax. All documentation pertaining to the purchasing agent agreement is kept by the purchasing agent to verify exemption.
- 21. Repair or replacement parts used in another state or country** as part of a maintenance contract. This does not apply to equipment or tools used in a repair business.
- 22. Resource recovery facilities.** Applies to equipment used for processing solid or hazardous waste (after collection and before disposal) at a resource recovery facility. You must apply for and receive approval from the Department of Revenue. Enter the CN# on Form ST3.
- 23. Senior citizen groups.** Groups must limit membership to senior citizens age 55 or older, or under 55 but physically disabled. They *must* apply for and receive an exempt status number from the Department of Revenue and enter it on Form ST3.

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## Form ST3 instructions and exemption descriptions (continued)

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- 24. Ship repair or replacement parts and lubricants.** Repair or replacement parts and lubricants for ships and vessels engaged principally in interstate or foreign commerce.
- 25. Ski areas.** Items used or consumed primarily and directly for tramways at ski areas, or in snowmaking and snow-grooming operations at ski hills, ski slopes or ski trails. Includes machinery, equipment, water additives and electricity used in the production and maintenance of machine-made snow.
- 26. Solar energy system** means a set of devices whose primary purpose is to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.
- 27. Taconite production items.** Mill liners, grinding rods and grinding balls used in taconite production if purchased by a company taxed under the in-lieu provisions of M.S. 298 if they are substantially consumed in the production of taconite. *Fact Sheet 147, Taconite and Iron Mining.*
- 28. Telecommunications equipment** used directly by a telecommunications service provider primarily to provide telecommunications services for sale at retail. *Fact Sheet 119, Telecommunications Services.*
- 29. Tribal government construction contract.** Materials purchased on or off the reservation by American Indian or non-American Indian contractors and subcontractors for use in construction projects on the reservation when the tribe or a tribally owned entity is a party to the contract, and the contract is being undertaken for the purpose of the tribe's welfare. It does not extend to the purchase or lease of equipment or tools for use on the project.
- 30. TV commercials.** Covers TV commercials and tangible personal property primarily used or consumed in preproduction, production or post-production of a TV commercial. Includes rental equipment for preproduction and production activities only. (Equipment purchased for use in any of these activities is taxable.) *Fact Sheet 163, TV Commercials.*
- 31. Veteran organizations.** Limited exemption applies to purchases by veteran organizations and their auxiliaries if they are organized in Minnesota and exempt from federal income tax under IRC Section 501(c)19; and the items are for charitable, civic, educational or nonprofit use (e.g. flags, equipment for youth sports teams, materials to make poppies given for donations).
- 32. Waste-management containers and compactors** purchased by a waste-management service provider to use in providing waste-management services that are subject to solid-waste management tax.
- 33. Wind energy systems.** Wind energy conversion systems and materials used to construct, install, repair or replace them.
- 34. Construction contracts.** When a new local tax is enacted, a contractor is allowed exemption from the new local tax on building materials during the transition period. Contractors must have documentation of a lump-sum contract in force before the new tax begins and deliveries must be made within the specific transition period.
- 35. Preexisting construction contracts and bids.** The general state sales tax rate change from 6.5 percent to 6.875 percent on July 1, 2009 allows a contractor an exemption from the .375 percent tax increase on building materials or services purchased during the transition period (July 1, 2009 - December 31, 2009). The prior state rate of 6.5 percent is still due on these items.
- For construction contracts,** the contractors must have documentation of a bona fide written lump-sum or fixed price construction contract in force before July 1, 2009, the contract must not provide for allocation of future taxes, and for each contract, the contractor must give the seller documentation of the contract on which an exemption is to be claimed. Deliveries must be made before January 1, 2010.
- For construction bids,** the building materials or services must be used pursuant to an obligation of a bid or bids, the bid or bids must be submitted and accepted prior to July 1, 2009, the bid or bids must not be able to be withdrawn, modified or changed without forfeiting a bond, and for each qualifying bid, the contractor must give the seller documentation of the bid on which an exemption is to be claimed. Deliveries must be made before January 1, 2010. *Refer to M.S. 297A.68, subd. 39, for details.*
- N. Percentage exemption**
- Percentage exemptions may be claimed for **advertising materials** for use outside of Minnesota or local taxing area. Purchaser must enter exempt percentage on Form ST3. *Fact Sheet 133, Advertising - Creative Promotional Services.*
  - Exemption applies to percent of **utilities** used in agricultural or industrial production. General space heating and lighting is not included in the exemption. Purchaser must enter exempt percentage on Form ST3. *Fact Sheets 100, Agricultural Production; and 129, Utilities Used in Production.*