



EXEMPTION CERTIFICATE

CANNOT BE USED TO PURCHASE GASOLINE OR SPECIAL FUEL

All sales of tangible personal property or taxable services are presumed to be subject to tax unless a properly completed Exemption Certificate or a Direct Pay Permit number is provided. Read instructions on reverse side before completing this certificate.

NAME OF VENDOR	DATE	CHECK APPLICABLE BOX:	
		<input type="checkbox"/> SINGLE PURCHASE CERTIFICATE	<input type="checkbox"/> BLANKET CERTIFICATE
STREET ADDRESS	CITY	STATE	ZIP CODE

TO BE COMPLETED BY PURCHASER: I, the undersigned, hereby certify that I am making an exempt purchase and hold a valid Business Registration Certificate:

Enter Tax Identification Number

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My principle business activity is _____

I claim an exemption for the following reason (Check applicable box or boxes):

PURCHASE FOR RESALE

Purchase of tangible personal property or taxable services for resale or for use in performing taxable services where such property becomes a component part of the property upon which the services are performed and will be actually transferred to the purchaser. WV Code § 11-15-9(a)(9)

PURCHASE BY AN EXEMPT COMMERCIAL AGRICULTURAL PRODUCER

- A. Purchase of tangible personal property or taxable services for use or consumption in the commercial production of an agricultural product. But **not** purchases for the construction of, or permanent improvement to real property or purchases of gasoline or fuel. WV Code § 11-15-9(a)(8)
- B. Purchase of propane for use in poultry houses for heating purposes. WV Code § 11-15-9(a)(18)

TAX EXEMPT ORGANIZATIONS

- A. **GOVERNMENT** - Purchases by governmental agencies and institutions of (1) the United States; (2) this State (including its local governments); and (3) any other State (and its local governments) which provides this same exemption to this State. Such purchases by government employees are not exempt unless they are on government business and are billed to and paid for directly by the government. Private persons doing business with government may not claim this exemption. WV Code § 11-15-9(a)(3)
- B. **CERTAIN NONPROFIT ORGANIZATIONS** - Purchases by a corporation or organization which has a current registration certificate and which is exempt from federal income taxes under section § 501(c)(3) or (c)(4) of the Internal Revenue Code. These organizations must meet all of the requirements set forth in WV Code § 11-15-9(a)(6). For information concerning these requirements refer to publication TSD-320. WV Code § 11-15-9(a)(6)
- C. **SCHOOLS** - Purchases by a school with its principal campus in this State which is approved by the State of West Virginia to award degrees and which is exempt from federal and state income taxes under section § 501(c)(3) of the Internal Revenue Code. WV Code § 11-15-9(a)(15)
- D. **CHURCHES** - Purchases of services, equipment, supplies, food for meals and materials directly used or consumed by churches which make no charge whatsoever for the services they render. The purchase must be paid for directly out of the church treasury. WV Code § 11-15-9(a)(5)

PURCHASES OF CERTAIN SPECIFIC SERVICES AND TANGIBLE PERSONAL PROPERTY

- A. Purchases of electronic data processing services and related software but **not** data processing equipment, materials and supplies. WV Code § 11-15-9(a)(21)
- B. Purchases of services by one corporation, partnership or limited liability company from another corporation, partnership or limited liability company **but only** when the entities are members of the same controlled group or related taxpayers as defined in Section 267 of the Internal Revenue Code. WV Code § 11-15-9(a)(23)
- C. Purchases of computer hardware and software directly incorporated into manufactured products; certain leases; electronic data processing service; computer hardware and software directly used in communication; educational software; internet advertising; high technology business services directly used in fulfillment of a government contract. WV Code § 11-15-9h
- D. Purchases of motion picture films, coin-operated video arcade machines and other video arcade games for any use upon which there will be a charge subject to sales tax. WV Code § 11-15-9(a)(32)
- E. Purchases by a licensed carrier of persons or property, or by a government entity, of aircraft repair, remodeling and maintenance services for an aircraft, engine or other component part of an aircraft, or purchases of tangible personal property that is permanently affixed as a component part of an aircraft as part of the repair, remodeling or maintenance of aircraft, aircraft engines or aircraft component parts, and purchases by a licensed carrier of persons or property, or by a government entity, of machinery, tools or equipment, directly used or consumed exclusively in the repair, remodeling or maintenance of aircraft, aircraft engines or aircraft component parts. WV Code § 11-15-9(a)(33)

I understand that this certificate may not be used to make tax free purchases of items or services which are not for an exempt purpose and that I will pay the Consumers Sales or Use Tax on tangible personal property or services purchased pursuant to this certificate and subsequently used or consumed in a taxable manner. In addition, I understand that I will be liable for the tax due, plus substantial penalties and interest, for any erroneous or false use of this certificate.

NAME OF PURCHASER	STREET ADDRESS	
SIGNATURE OF OWNER, PARTNER, OFFICER OF CORPORATION, ETC.	CITY	
TITLE	STATE	ZIP CODE

GENERAL INSTRUCTIONS

An Exemption Certificate may be used only to claim exemption from tax upon a purchase of tangible personal property or services which will be used for an exempt purpose as stated on the front of this form.

A purchaser may file a blanket Exemption Certificate with the vendor to cover additional purchases of the same general type of property or service. However, each subsequent sales slip or purchase invoice evidencing a transaction covered by a blanket Exemption Certificate must show the purchaser's name, address and Business Registration Certificate Number for purposes of certification.

INSTRUCTIONS FOR PURCHASER

To purchase tangible personal property or services tax exempt, you must possess a valid Business Registration Certificate and you must properly complete this Exemption Certificate and present it to your supplier. To be properly completed, all entries on this Exemption Certificate must be filled in.

Your Business Registration Certificate (and any duplicates) may be suspended or revoked if you or someone acting on your behalf willfully issues this certificate for the purpose of making a tax exempt purchase of tangible personal property and/or services that is not used in a tax exempt manner (as stated on the front of this form).

When property or services are purchased tax exempt with an Exemption Certificate, but later used or consumed in a non exempt manner, the purchaser must pay Sales or Use Tax on the purchase price.

The willful issuance of a false or fraudulent Exemption Certificate with the intent to evade Sales or Use Tax is a misdemeanor.

Your misuse of this Certificate with intent to evade the Sales or Use Tax shall also result in your being subject to:

**A penalty of fifty percent of the tax that would have been due
had there not been a misuse of such certificate.**

This is in addition to any other penalty imposed by the Law.

In the event you make false or fraudulent use of this Certificate with intent to evade the tax, you may be assessed for the tax at any time subsequent to such use.

INSTRUCTIONS FOR VENDOR

At the time the property is sold or the service is rendered, you must obtain from your customer this Certificate, properly completed, (or a Direct Pay Permit number issued by the West Virginia Department of Tax and Revenue), or the sale will be deemed a taxable sale, unless the property or service sold is exempt per se from Sales Tax. Your failure to collect tax on such taxable sale will make you personally liable for the tax, plus penalties and interest.

Additional information may be required to substantiate that the sale was for exempt purposes. In order for this Certificate to be properly completed, it must be issued by a purchaser who has a valid Business Registration Certificate and must have all entries completed by the purchaser.

A timely received certificate which contains a material deficiency will be considered satisfactory if such deficiency is subsequently corrected.

You must keep this certificate for at least three years after the due date of the last return to which it relates, or the date when such return was filed, if later.

You must maintain a reasonable method of associating a particular exempt sale to a customer with the Exemption Certificate you have on file for such customer.

INSTRUCTIONS FOR VENDOR AND PURCHASER

If you, as vendor or as a purchaser, engage in any business activity in West Virginia without possessing a valid Business Registration Certificate (and you do not clearly qualify for an exemption), you shall be subject to a penalty in an amount not exceeding \$100 for the first day on which such sales or purchases are made, plus an amount not exceeding \$100 for each subsequent day on which such sales or purchases are made.

Please begin using this Certificate immediately.

36. Textbooks--sales of textbooks required to be used in any of the schools of the State whether the books are sold directly to the school or to students, including written course materials and audio and video materials if they are a required text of the school;
37. Transportation--charges for transporting passengers in interstate commerce, such as airline and bus tickets, if the trip begins or ends outside the State, and
38. Wonderful West Virginia Magazine--direct or subscription sales by the Division of Natural Resources of Wonderful West Virginia magazine, but not newsstand sales.

Some exemptions must be claimed by using a current tax exemption certificate. If a vendor fails to obtain a properly completed exemption certificate from the purchaser or if the purchaser refuses to provide a certificate, the vendor must collect the tax and purchaser must pay the tax. The following is a list of the exemptions for which an exemption certificate is required:

1. Aircraft Repair--aircraft repair, remodeling and maintenance services for licensed carriers of persons or property or for a governmental entity; sales of component parts affixed or attached to such aircraft during repair, remodeling and maintenance services, and sales of tools and equipment directly used to do such services;
2. Controlled Groups--purchases of services by one corporation, limited liability company or partnership from another corporation, limited liability company or partnership when both entities are members of the same controlled group;
3. Food--food purchased by a nonprofit organization or governmental agency that provides meals to low-income persons at or below cost;
4. Livestock--sales of livestock sold at public sales sponsored by the breeder's or registry associations or at livestock auction markets;
5. Management Information Services--sales to a business entitled to claim a credit for investment in certain management information services facilities for the following items to be directly used or consumed in the operation of that facility:
 - a. computer processing and telecommunications equipment;
 - b. data storage and input/output devices;
 - c. disaster recovery services;
 - d. supplies;
 - e. application, telecommunication and operating system software;
 - f. repair and maintenance of any of the above-listed items, and
 - g. other tangible personal property of services that are directly used or consumed in the operation of the facility;
6. Mobile Homes--sales of mobile homes to be used by purchasers as their principal year-round residence are taxed at a 3 percent rate rather than 6 percent;
7. Movies--sales of motion picture films to motion picture exhibitors when the sales of tickets or the charge to view the film are taxable;

8. Purchases by an Exempt Commercial Agricultural Producer--purchases of tangible personal property or taxable services for use or consumption in the commercial production of an agricultural product, including the purchase of fencing and nails used for the construction of fencing, and purchases of propane for use in heating poultry houses;
9. Purchases by Certain Nonprofit Organizations--purchases by a corporation or organization that has a current registration certificate, is exempt from federal income taxes under section 501(c)(3) or (c)(4) of the Internal Revenue Code, receives more than half its support from gifts, grants, direct or indirect charitable contributions and membership fees, and
 - a. is an youth organizations, such as the Girl Scouts and the Boy Scouts, or
 - b. is a church, convention or association of churches as defined in 26 U.S.C. §170, or
 - c. is an organization with no paid employees whose gross income from fundraisers is donated to a 501(c)(3) or (c)(4) organization;
10. Purchases by Churches--purchases of services, equipment, supplies, food for meals and material directly used or consumed by churches that make no charge at all for the services they render;
11. Purchases by Governments--purchases by the federal government and governmental units of West Virginia or another state, if that state grants a sales tax exemption to governmental units of West Virginia (purchases by employees while on government business are not exempt unless such purchases are directly billed to and paid for by the government entity);
12. Purchases by Producers of Materials Used in the Production of Certain Value-Added Products from Raw Agricultural Products--sales of property or services after June 30, 1997, to persons for direct use in the production of a "value-added product" for a period of no more than five years by such persons engaged exclusively in such production activity for the following:
 - a. the conversion of lumber into furniture, toys, collectibles, and home furnishings;
 - b. the conversion of fruit into wine;
 - c. the conversion of honey into wine;
 - d. the conversion of wool into fabric;
 - e. the conversion of raw hides into semi-finished or finished leather products;
 - f. the conversion of milk into cheese;
 - g. the conversion of fruits or vegetables into dried, canned or frozen products;
 - h. the conversion of feeder cattle into commonly acceptable slaughter weights;
 - i. the conversion of aquatic animals into dried, canned, cooked or frozen products, and