



This document is to be completed by a purchaser whenever claiming exemption from sales/use tax. *Seller:* Keep this certificate in your files. *Purchaser:* Keep a copy of this certificate for your records. Do not send this to the Department of Revenue and Finance.

Purchaser Name University of Louisville		
Address Service Complex - Belknap Campus		
City Louisville	State KY	Zip Code 40292
General Nature of Business Higher Education		

Seller Name		
Address		
City	State	Zip Code

Purchaser is doing business as a:

- Retailer  
Sales tax permit no. : \_\_\_\_\_
- Wholesaler     Farmer     Lessor
- Manufacturer     Nonprofit Hospital
- Private Nonprofit Educational Institution
- Governmental Agency (including public schools)
- Qualifying Residential Care Facility
- Non-Profit Museum     Other: \_\_\_\_\_

Purchaser is claiming exemption for the following reason:

- Resale     Leasing     Processing
- Qualifying Farm Machinery/Equipment
- Qualifying Industrial Machinery/Equipment
- Qualifying Replacement Parts     Qualifying Computer
- Pollution Control Equipment     Recycling Equipment
- Research and Development Equipment
- Direct Pay (permit no. required): \_\_\_\_\_
- Other: Educational Institution

Description of Purchase: Attach additional information if necessary. \_\_\_\_\_  
Under penalty of perjury, I swear that the information on this form is true and correct.

Signature of Purchaser [Signature] Title Controller/Treasurer Date \_\_\_\_\_ 31-014 (1/00)

**Exemption Certificate Instructions**

This exemption certificate is to be completed by the purchaser claiming exemption from tax and given to the seller. The seller must retain this certificate as proof that exemption has been properly claimed. The certificate must be complete to be accepted by the seller. The seller can accept an exemption certificate only on property that is qualified (see the exemptions below) or based on the nature of the buyer. A seller failing to exercise due care could be held liable for the sales tax due. If property or services purchased for resale or processing are used or disposed of by the purchaser in a nonexempt manner, the purchaser is then responsible for the tax.

**Exemptions:**

**Resale:** Any person in the business of selling who is purchasing items to resell may claim this exemption. The purchaser can be acting as either a retailer or wholesaler and may not be required to have a sales tax permit. Retailers who do have a sales tax permit number must enter it in the space provided.

**Processing:** Exempt purchases for processing include tangible personal property which by means of fabrication, compounding, manufacturing or germination becomes an integral part of other tangible personal property ultimately sold at retail; chemicals, solvents, sorbents or reagents used, consumed, dissipated or depleted in processing personal property intended to be sold ultimately at retail; fuel used to create heat, power or steam for processing or used to generate electric current; and chemicals used in the production of free newspapers and shoppers.

**Leasing:** Exemption is applicable only to property leased where the lessor is in the business of leasing, the lease is for more than five months, and the lease or rental receipts are subject to Iowa sales tax.

**Qualifying Farm Machinery/Equipment:** The farm machinery or equipment must be directly and primarily used in agricultural production; and must be:

1. a self-propelled implement such as a tractor    2. a grain dryer (heater and blower only)
3. an implement customarily drawn or attached to a self-propelled implement in the performance of its function, such as a plow
4. auxiliary equipment improving safety, maintenance and efficiency of items 1, 2, 3
5. tangible personal property that does not become a part of real property used directly and primarily in dairy and livestock operations
6. bailing wire, twine, wrapping and other similar items used in agricultural, livestock or dairy production
7. an essential replacement part for 1, 2, 3, 4, 5

**Qualifying Industrial Machinery/Equipment:** This machinery or equipment must be:

- used by a manufacturer    • directly and primarily used in processing tangible personal property or certain other research activities
- certain replacement parts for the above; this does not include supplies

**Qualifying Computers:**

- sold to commercial enterprise, insurance company, or financial institution    • certain replacement parts; this does not include supplies

**Direct Pay:** Businesses and individuals who pay their taxes directly to the Department rather than to the seller **must** enter their Direct Pay permit number in the space provided.

**Private Nonprofit Educational Institutions:** Purchases made by private nonprofit educational institutions used for educational purposes are exempt. **NOT EXEMPT from sales tax are purchases by most other private nonprofit organizations such as churches, fraternal organizations, etc., for use by those organizations.**