



This document is to be completed by a purchaser whenever claiming exemption from sales/use tax. Certificates are valid for up to three years. *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.

Purchaser Name		
Address		
City	State	Zip Code
General Nature of Business		
Telephone Number		

Seller Name		
Address		
City	State	Zip Code

Purchaser is doing business as a:

- Retailer  
Sales tax permit No. (if required): \_\_\_\_\_
- Retailer Car Dealer DOT 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: \_\_\_\_\_

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

Signature of Purchaser: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_ 31-014a (08/18/09)

**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. 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.

**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. a replacement part for 1, 2, 3, 4, 5
7. bailing wire, twine, wrapping, and other similar items used in agricultural, livestock, or dairy production
8. auger systems, curtains, curtain systems, drip systems, fans, and fan systems, shutters, inlets, shutter or inlet systems, and refrigerators used in livestock or dairy production, aquaculture production, or the production of flowering, ornamental, or vegetable plants.

**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 Iowa 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.**