



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

Purchaser Name: _____

Seller Name: _____

Address: _____

Address: _____

City, State, ZIP: _____

City, State, ZIP: _____

General Nature of Business: _____

Telephone Number: _____

Purchaser is doing business as:

Retailer

Sales Tax Permit Number (if required): _____

Retailer Car Dealer

Enter your DOT number: _____

Governmental Agency (including public schools)

Wholesaler Farmer Lessor

Manufacturer Nonprofit Hospital

Private Nonprofit Educational Institution

Qualifying Residential Care Facility

Nonprofit Museum

Other : _____

Purchaser is claiming exemption for the following reason:

Resale Leasing Processing

Qualifying Manufacturing Machinery/Equipment

Research and Development Equipment

Qualifying Farm Machinery/Equipment

Qualifying Replacement Parts

Pollution Control Equipment

Recycling Equipment

Qualifying Computer

Direct Pay (permit number 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: ____/____/____

**Seller: Keep this certificate in your files.
Purchaser: Keep a copy of this certificate for your records.
Do not send to the Iowa Department of Revenue.**

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.

General Information about 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 with 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 guides.

Qualifying Farm Machinery/Equipment: The item must be directly and primarily used in agricultural production; and must be one of the following:

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, performance, operation, or efficiency of items 1, 2, and 3.
5. tangible personal property that does not become a part of real property used directly and primarily in dairy and livestock production.
6. a replacement part for 1, 2, 3, 4, 5, 8, and 9.
7. baling 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.
9. snow blower, rear-mounted blade, or rotary cutter used in agricultural production, if attached to or towed by a self-propelled implement.

Qualifying Manufacturing Machinery/Equipment: This machinery or equipment must be:

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

Qualifying Computers:

1. sold to commercial enterprise, insurance company, or financial institution.
2. 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, clubs, etc., for use by those organizations.

For more information about sales tax exemptions, see the Department's website at <https://tax.iowa.gov>.