

# 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 \_\_\_\_\_

Type or print	Name of purchaser _____			
	Business address _____		City _____	State _____ Zip code _____
	Purchaser's tax ID number _____		State 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 Agricultural production
	B Specific government exemption (from list on back) _____	J Industrial production/manufacturing
	C Tribal government (name) _____	K Direct pay authorization
	D Foreign diplomat # _____	L Multiple points of use (services, digital goods, or computer software delivered electronically)
	E Charitable organization # _____	M Direct mail
	F Educational organization # _____	N Other (enter number from back page) _____
	G Religious organization # _____	O Percentage exemption
	H Resale	<input type="checkbox"/> Advertising (enter percentage) _____ %
		<input type="checkbox"/> Utilities (enter percentage) _____ %
		<input type="checkbox"/> Electricity (enter percentage) _____ %

**Sign here** 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 _____
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# Exemption descriptions

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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

- Ambulance services
- Biosolids processing equipment
- Bullet-resistant body armor
- 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
- Regionwide public safety radio communication system
- Solid waste disposal facility
- State or local government agency from another state
- Local governments
- Transit program vehicles
- Water used directly in providing fire protection

## C. Tribal government

Fill in the name of the Tribe.

## D. Foreign diplomat

Fill in the number issued to the foreign diplomat.

## E. Charitable organization

Organizations that operate exclusively for charitable purposes.

## F. Educational organization

Schools, school districts, scouts, youth groups, etc.

## G. Religious organization

Churches and other religious organizations.

## H. Resale

Items or services purchased for resale.

## I. 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.

## J. 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.

## K. Direct pay

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

## L. Multiple points of use

Beginning July 1, 2013. Services, digital goods, or electronically delivered computer software concurrently available for use in more than one taxing jurisdiction at the time of purchase.

## M. Direct mail services

## N. Other exemptions

1. Aggregate delivered by a third party hauler to be used in road construction
2. Airflight equipment
3. Ambulances
4. Aquaculture production equipment
5. Automatic fire-safety sprinkler systems
6. Construction exemption for special projects under M.S. 297A.71
7. Exempt publications
8. Farm machinery
9. Handicapped accessible (building materials)
10. Handicapped accessible (vehicle costs)
11. Horse materials
12. Hospitals and outpatient surgical centers
13. Instructional materials for post-secondary school students
14. Job opportunity building zones (JOBZ)
15. Logging equipment

16. Materials used for business in a state where no sales tax applies
  17. Materials used to provide taxable services
  18. Medical supplies for a health-care facility
  19. Motor carrier direct pay (MCDP) authorization
  20. Nursing homes and boarding care homes
  21. Packing materials used to ship household goods outside Minnesota
  22. Poultry feed
  23. Prizes used for games at fairs or other events lasting fewer than six days
  24. Purchasing agent agreement with exempt organization
  25. Repair or replacement parts used in another state/country as part of a maintenance contract
  26. Resource recovery facility authorization
  27. Senior citizen group (exempt status authorization required)
  28. Ship replacement parts and lubricants
  29. Ski area items
  30. Solar energy systems
  31. Taconite production items
  32. **Exemption is no longer valid; revision repealed July 1, 2013**
  33. Textbooks
  34. Tribal government construction contract
  35. TV commercials
  36. Veteran organizations
  37. Waste-management containers and compactors
  38. Wind energy conversion systems and materials used to construct, install, repair or replace them.
  38. Preexisting construction contracts and bids.
  39. Lump-sum construction contracts — temporary exemption for new local tax on building materials
- ## O. Percentage exemptions
- Advertising materials for use outside Minnesota or local taxing area.
  - Utilities used in agricultural or industrial production.
  - Electricity used in the operation of qualified data centers.

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions

Forms and fact sheets are available on our website at [www.revenue.state.mn.us](http://www.revenue.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. Federal government.** The seller must obtain a purchase order, payment voucher, work order, a fully completed Form ST3 or similar documentation to show the purchase was from the federal government.

**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*.

- Ambulance services
- Biosolids processing equipment
- Bullet-resistant body armor
- 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
- Regionwide public safety radio communication system
- Solid waste disposal facility
- State or local government agency from another state
- Townships (limited exemptions apply)
- Transit program vehicles
- Water used directly in providing fire protection

**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. You must apply for and receive exempt status authorization from the Department of Revenue. (Some nonprofit organizations do not qualify for sales tax exemption.) Effective December 2008, organizations that qualify for exempt status receive an authorization letter from the department rather than an exempt status number. Organizations that received an exempt status number prior to December 2008 may choose to continue using that number or they may use their Minnesota tax ID number.

**F. Educational organizations.** Schools and school districts operated exclusively for educational purposes must use Form ST3 on qualifying purchases. Nonprofit professional and trade schools, scouts, youth groups, and youth athletic and recreational programs, such as Little League, etc., operated exclusively for educational purposes must apply for exempt status authorization from the Department of Revenue and use Form ST3 on qualifying purchases. Effective December 2008, organizations that qualify for exempt status receive an authorization letter from the department rather than an exempt status number. Organizations that

received an exempt status number prior to December 2008 may choose to continue using that number or they may use their Minnesota tax ID number.

**G. Religious organizations.** Churches and other religious organizations operated exclusively for religious purposes can use Form ST3 without exempt status authorization or may apply for exempt status authorization from the Department of Revenue. Effective December 2008, organizations that qualify for exempt status receive an authorization letter from the department rather than an exempt status number. Organizations that received an exempt status number prior to December 2008 may choose to continue using that number or they may use their Minnesota tax ID number.

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

**I. 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*.

**J. 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*.

**K. 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 direct pay authorization from the Department of Revenue.

**L. Multiple points of use.** Taxable services, digital goods, 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.

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions (continued)

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**M. 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.

### N. Other exemptions

- 1. Aggregate delivered by a third party hauler to be used in road construction.** Beginning July 1, 2008, charges for delivery of aggregate materials by *third party haulers* are exempt if the aggregate will be used in road construction.
- 2. Airflight equipment.** The aircraft must be operated under Federal Aviation Regulations, parts 91 and 135.
- 3. Ambulance services** — privately owned (leases of vehicles used as an ambulance or equipped and intended for emergency response). Must be used by an ambulance service licensed by the EMS Regulatory Board under section 144E.10. *Fact Sheet 135, Fire Fighting, Police, and Emergency Equipment.*
- 4. Aquaculture production equipment.** Qualifying aquaculture production equipment, and repair or replacement parts used to maintain and repair it. *Fact Sheet 130, Aquaculture Production Equipment.*
- 5. 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.
- 6. Construction exemption for special projects under M.S. 297A.71.** Certain purchases for the construction of a specific project or facility are exempt under M.S. 297A.71, such as waste recovery facilities. This exemption does not apply to projects for which you must pay sales or use tax on qualifying purchases and then apply for a refund.
- 7. 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.
- 8. Farm machinery.** Qualifying farm machinery, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 106, Farm Machinery.*
- 9. 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).
- 10. Handicapped accessible (vehicle costs).** Conversion costs to make vehicles handicapped accessible. Covers parts, accessories and labor.
- 11. 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.*
- 12. Hospitals and outpatient surgical centers.** Sales to a hospital and outpatient surgical center are exempt if the items purchased are used in providing hospital or outpatient surgical services. (*M.S. 297A.70, subd. 7*)
- 13. Instructional materials** required for study courses by college or private career school students (*M.S. 297A.67, subd. 13a*)
- 14. 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.
- 15. Logging equipment.** Qualifying logging equipment, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 108, Logging Equipment.*
- 16. 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).
- 17. Materials used to provide taxable services.** Materials must be used or consumed directly in providing services taxable under M.S. 297A.61, subd. 3.
- 18. 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.*
- 19. Motor carrier direct pay (MCDP).** 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 MCDP authorization from the Department of Revenue. *Fact Sheet 107, Interstate Motor Carriers.*
- 20. Nursing homes and bonding care homes.** Beginning July 1, 2013, sales to nursing homes and boarding care homes are exempt. Nursing homes must be licensed by the state. Boarding care homes must be certified as a nursing facility.

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions (continued)

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- 21. Packing materials.** Packing materials used to pack and ship household goods to destinations outside of Minnesota.
- 22. Poultry feed.** The poultry must be for human consumption.
- 23. 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.
- 24. 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.
- 25. 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.
- 26. 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.
- 27. 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 exempt status authorization from the Department of Revenue.
- 28. Ship repair or replacement parts and lubricants.** Repair or replacement parts and lubricants for ships and vessels engaged principally in interstate or foreign commerce.
- 29. 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.
- 30. 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.
- 31. 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.*
- 32. Telecommunications, cable television and direct satellite equipment** **Exemption is no longer valid; repealed July 1, 2013** provide those services for sale at retail. *Fact Sheet 19, Telecommunications, Cable Television, Direct Satellite and Related Services.*
- 33. Textbooks** required for study to students who are regularly enrolled.
- 34. 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.
- 35. TV commercials.** Covers TV commercials and tangible personal property primarily used or consumed in pre-production, 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.*
- 36. 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).
- 37. 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.
- 38. Wind energy systems.** Wind energy conversion systems and materials used to construct, install, repair or replace them.
- 38. Preexisting construction contracts and bids.** A contractor is allowed an exemption on certain services or items that become taxable effective July 1. The exemption is for the change in tax on those items or services if purchased during the transition period.
- For construction contracts, (1) the contractors must have documentation of a bona fide written lump-sum or fixed price construction contract in force before July 1; (2) the contract must not provide for allocation of future taxes; and (3) 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.
- For construction bids, (1) 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; (2) the bid or bids must not be able to be withdrawn, modified or changed without forfeiting a bond; and (3) for each qualifying bid, the contractor must give the seller documentation of a bid on which an exemption is to be claimed. Deliveries must be made before January 1.
- 39. 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. **3**

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions (*continued*)

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### **O. Percentage exemptions**

- **Advertising materials:** 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.*
- **Utilities:** 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.*
- **Electricity:** Exemption applies to percent of electricity used to operate enterprise information technology equipment, or used in office and meeting spaces, and other support facilities in support of enterprise information technology equipment. Purchaser must enter exempt percentage on Form ST3. *Revenue Notice 12-11: Sales Tax – Exemptions – Qualified Data Centers.*

### **Forms and information**

Website: [www.revenue.state.mn.us](http://www.revenue.state.mn.us).

Email: [SalesUse.Tax@state.mn.us](mailto:SalesUse.Tax@state.mn.us)

Phone: 651-296-6181 or 1-800-657-3777  
(TTY: Call 711 for Minnesota Relay)