



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.

Purchaser Name, Address, City, State, Zip Code, General Nature of Business

Seller Name, Address, City, State, Zip Code

Purchaser is doing business as a:

- Retailer, Wholesaler, Manufacturer, Governmental Agency (checked), etc.

Purchaser is claiming exemption for the following reason:

- Resale, Leasing, Processing, Qualifying Farm Machinery/Equipment, etc.

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, Title, 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.

Exemptions:

Resale: Any person in the business of selling who is purchasing items to resell may claim this exemption.

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.

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.