

Sales Tax Exemption Forms Overview

August 1, 2012

Dear Flooring Buyer/Reseller,

For End Users – who are buying flooring which is then incorporated into your home or project.

Our policy, in order to be in compliance with NJ Sales & Use Tax provisions, is to charge New Jersey based END USERS the local sales tax rate of the delivery point, (or the pickup point if picking up from our Pennsauken 08110 location at the local sales tax rate of 7%) for all sales into the state of New Jersey. Per NJ Sales & Use Tax provisions the sales tax is charged based on the final delivered price including all delivery charges. On deliveries out of state to end users no sales tax is charged.

For Flooring Resellers – which are commercial accounts who buy the flooring on a wholesale basis for resale and then charge sales tax to the ultimate buyer at that point.

In order to be in compliance with our home state's (NJ) Sales & Use Tax Laws, it is required that we have on file from you one of the following signed Tax Exempt forms along with a copy of your Sales & Use Tax Certificate issued to you by your state – or we must charge you sales tax. This includes New Jersey resellers as well as all out of state resellers – whether we ship direct to you or whether you pickup at our warehouse.

For Contractors – which by New Jersey definition have to pay sales tax on their flooring purchases can claim exemption if the buildings where these goods are being installed are Tax Exempt – such as government buildings, churches, etc. For these purchases to be exempt we must have on file a completed Sales Tax Exemption form – see below for the correct form to use.

Forms to use: (if checked, then please fill out the attached forms and return to us)

For New Jersey based Resellers of Flooring:

1) ST-3

a. and a copy of your state issued Exemption Certificate

For Out of State (w/o a presence in New Jersey) Resellers of Flooring:

2) ST-3NR

a. and a copy of your state issued Exemption Certificate

3) And if you are located in one of the 21 states with a reciprocal agreement with New Jersey you must ALSO fill out the Uniform Sales & use Tax Certificate – Multijurisdictional

For Contractors buying flooring that is going into an exempt organization or project:

4) ST-13

Form ST-3NR

RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS

For use **ONLY** by out-of-state sellers not required to be registered in New Jersey

[THIS FORM IS NOT VALID UNLESS FULLY COMPLETED]

Please read and comply with instructions on both sides of this certificate.

SELLER

Name _____

Address _____

New Jersey Tax Registration Number _____

PURCHASER

Name* _____

Business Location* _____

State(s) of Registration _____

Out-of-State Registration Number(s)* _____

Type of Business* (e.g., retailer, wholesaler, manufacturer, repair shop) _____

Description of Item(s) Sold, Serviced or Leased: _____

Description of Item(s) Purchased: _____

This merchandise or service is being purchased for (check applicable item)

- Resale in its present form
- Resale as a physical component of a product produced or repaired by the purchaser
- Lease (outside New Jersey)

The purchaser certifies it has no place of business, employees, independent contractors, service activities, or leased tangible personal property in New Jersey, is not required to be registered with the New Jersey Division of Taxation, and in fact is not registered with the New Jersey Division of Taxation.

The purchaser further certifies that if any property purchased tax free is used or consumed by the purchaser in New Jersey making it subject to New Jersey sales and use tax, the purchaser will pay the proper tax to the Division of Taxation.

Under penalties of perjury I swear or affirm that the information on this form is true and correct to the best of my knowledge.

Print Name _____

Authorized Signature _____
(Owner, Partner, Corporate Officer)

Title _____ Date _____

Address (if different from above) _____

**INSTRUCTIONS FOR USE OF RESALE CERTIFICATES
FOR NON-NEW JERSEY SELLERS ST-3NR**

1. Registered sellers who accept fully completed exemption certificates within 90 days subsequent to the date of sale are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate. The following information must be obtained from a purchaser in order for the exemption certificate to be fully completed:
- Purchaser's name and address;
 - Type of business;
 - Reasons(s) for exemption;
 - Purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number;
 - If a paper exemption certificate is used (including fax), the signature of the purchaser.

The seller's name and address are not required and are not considered when determining if an exemption certificate is fully completed. A seller that enters data elements from paper into an electronic format is not required to retain the paper exemption certificate.

The seller may, therefore, accept this certificate as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption. If it is determined that the purchaser improperly claimed an exemption, the purchaser will be held liable for the nonpayment of the tax.

2. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection.
3. **Acceptance of an exemption certificate in an audit situation** – On and after October 1, 2011, if the seller either has not obtained an exemption certificate or the seller has obtained an incomplete exemption certificate, the seller has at least 120 days after the Division's request for substantiation of the claimed exemption to either:
1. Obtain a fully completed exemption certificate from the purchaser, taken in good faith, which, in an audit situation, means that the seller obtain a certificate claiming an exemption that:
 - (a) was statutorily available on the date of the transaction, and
 - (b) could be applicable to the item being purchased, and
 - (c) is reasonable for the purchaser's type of business; OR
 2. Obtain other information establishing that the transaction was not subject to the tax.

If the seller obtains this information, the seller is relieved of any liability for the tax on the transaction unless it is discovered through the audit process that the seller had knowledge or had reason to know at the time such information was provided that the information relating to the exemption claimed was materially false or the seller otherwise knowingly participated in activity intended to purposefully evade the tax that is properly due on the transaction. The burden is on the Division to establish that the seller had knowledge or had reason to know at the time the information was provided that the information was materially false.

EXAMPLES OF PROPER USE OF RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS

- (a) A craftsman registered in Pennsylvania as a retail and wholesale seller of furniture comes to New Jersey to purchase lumber which he will use in making furniture.
- (b) A merchant registered as a retail seller of books in Connecticut purchases books for his inventory from a New Jersey dealer and sends his employee to pick up the merchandise.
- (c) A computer store owner registered as a retailer in Wisconsin purchases canned software for her inventory while attending a trade show in New Jersey, and carries it away from the show herself.

EXAMPLES OF IMPROPER USE OF RESALE CERTIFICATE FOR NON-NEW JERSEY SELLERS

- (a) A lumber dealer may not accept an ST-3NR from a contractor who intends to use it in working on his customers' real property, because under New Jersey law, contractors are considered to be the retail purchasers of the construction materials that they use.
- (b) A bookseller may not accept an ST-3NR from a doctor who is purchasing books for patients to read in her waiting room, because this would not be a purchase for resale.
- (c) A candy wholesaler may not accept an ST-3NR from a purchaser who shows a New Jersey store address on the form, because this information would give the seller reason to believe that the purchaser should be registered in New Jersey.
- (d) A plant nursery may not accept an ST-3NR from a New York florist who requests delivery of the plants by common carrier to his New York location, because this would not be a New Jersey sale.

REPRODUCTION OF RESALE CERTIFICATE FORMS:

Private reproduction of both sides of resale certificates may be made without the prior permission of the Division of Taxation.

FOR MORE INFORMATION:

Call the Customer Service Center at: (609) 292-6400. Send an e-mail to: nj.taxation@treas.state.nj.us

Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

UNIFORM SALES & USE TAX CERTIFICATE—MULTIJURISDICTION

The below-listed states have indicated that this form of certificate is acceptable, subject to the notes on pages 2 - 4. The issuer and the recipient have the responsibility of determining the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: _____

Address: _____

I certify that: _____ is engaged as a registered

Name of Firm (Buyer): _____	Wholesaler	_____
	Retailer	_____
Address _____	Manufacturer	_____
	Seller (California)	_____
	Lessor (see notes on pages 2 - 4)	_____
	Other (Specify)	_____

and is registered with the below listed states and cities within which your firm would deliver purchases to us and that any such purchases are for wholesale, resale, ingredients or components of a new product or service¹ to be resold, leased, or rented in the normal course of business. We are in the business of wholesaling, retailing, manufacturing, leasing (renting) the following:

Description of Business: _____

General description of tangible property or taxable services to be purchased from the seller: _____

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit or ID Number of Purchaser
AL ²	_____	NE ¹⁴	_____
AR	_____	NV	_____
CA ³	_____	NJ	_____
CO ¹	_____	NM ^{1,15}	_____
DC ⁴	_____	ND	_____
GA ⁵	_____	OK ¹⁶	_____
HI ^{1,6}	_____	RI ¹⁷	_____
ID	_____	SC ¹	_____
IL ^{1,7}	_____	SD ¹⁸	_____
IA	_____	TN	_____
KS ⁸	_____	TX ¹⁹	_____
ME ⁹	_____	UT	_____
MD ¹⁰	_____	VT ¹	_____
MI ¹¹	_____	WA ²⁰	_____
MN ¹²	_____	WI ¹⁷	_____
MO ¹³	_____		

I further certify that if any property or service so purchased tax free is used or consumed by the firm as to make it subject to a Sales or Use Tax we will pay the tax due directly to the proper taxing authority when state law so provides or inform the seller for added tax billing. This certificate shall be a part of each order which we may hereafter give to you, unless otherwise specified, and shall be valid until canceled by us in writing or revoked by the city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: _____

(Owner, Partner or Corporate Officer)

Title: _____

Date: _____

INSTRUCTIONS REGARDING UNIFORM SALES & USE TAX CERTIFICATE

To Seller's Customers:

In order to comply with the majority of state and local sales tax law requirements, the seller must have in its files a properly executed exemption certificate from all of its customers who claim a sales tax exemption. If the seller does not have this certificate, it is obliged to collect the tax for the state in which the property or service is delivered.

If the buyer is entitled to sales tax exemption, the buyer should complete the certificate and send it to the seller at its earliest convenience. If the buyer purchases tax free for a reason for which this form does not provide, the buyer should send the seller its special certificate or statement.

Caution to Seller:

In order for the certificate to be accepted in good faith by the seller, seller must exercise care that the property or service being sold is of a type normally sold wholesale, resold, leased, rented or incorporated as an ingredient or component part of a product manufactured by buyer and then resold in the usual course of its business. A seller failing to exercise due care could be held liable for the sales tax due in some states or cities. Misuse of this certificate by seller, lessor, buyer, lessee, or the representative thereof may be punishable by fine, imprisonment or loss of right to issue certificate in some states or cities.

Notes:

- 1 The states of Colorado, Hawaii, Illinois, New Mexico, South Carolina and Vermont do not permit the use of this certificate to claim a resale exemption for the purchase of a taxable service for resale.

- 2 Alabama: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.

- 3 California:
 - A. This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Title 18, California Code of Regulations, Section 1668 (Sales and Use Tax Regulation 1668, Resale Certificates).
 - B. By use of this certificate, the purchaser certifies that the property is purchased for resale in the regular course of business in the form of tangible personal property, which includes property incorporated as an ingredient or component part of an item manufactured for resale in the regular course of business.
 - C. When the applicable tax would be sales tax, it is the seller who owes that tax unless the seller takes a timely and valid resale certificate in good faith.
 - D. A valid resale certificate is effective until the issuer revokes the certificate.

- 4 District of Columbia: This certificate is not valid as an exemption certificate. It is not valid as a resale certificate unless it contains the purchaser's D.C. sales and use tax registration number.

- 5 Georgia: The purchaser's state of registration number will be accepted in lieu of Georgia's registration number when the purchaser is located outside Georgia, does not have nexus with Georgia, and the tangible personal property is delivered by drop shipment to the purchaser's customer located in Georgia.

- 6 Hawaii allows this certificate to be used to claim a lower general excise tax rate rather than an exemption. If the lower rate does not in fact apply to the sale, the purchaser is liable to pay the seller the additional tax imposed. See Hawaii Dept. of Taxation Tax Information Release No. 93-5, November 10, 1993.

- 7 Use of this certificate in Illinois is subject to the provisions of 86 Ill. Adm. Code Ch. I, Sec. 130.1405. Illinois does not have an exemption on sales of property for subsequent lease or rental, nor does the use of this certificate for claiming resale purchases of services have any application in Illinois.

The registration number to be supplied next to Illinois on page 1 of this certificate must be the Illinois registration or resale number; no other state's registration number is acceptable.

"Good faith" is not the standard of care to be exercised by a retailer in Illinois. A retailer in Illinois is not required to determine if the purchaser actually intends to resell the item. Instead, a retailer must confirm that the purchaser has a valid registration or resale number at the time of purchase. If a purchaser fails to provide a certificate of resale at the time of sale in Illinois, the seller must charge the purchaser tax.

While there is no statutory requirement that blanket certificates of resale be renewed at certain intervals, blanket certificates should be updated periodically, and no less frequently than every three years.

- 8 Kansas: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.
- Contractors, subcontractors, and repairmen shall be responsible for collecting and remitting sales tax on taxable services performed for other contractors. Each contractor, subcontractor or repairman shall not purchase or sell services exempt from sales tax under a resale exemption certificate.
- 9 Maine does not have an exemption on sales of property for subsequent lease or rental.
- 10 Maryland: This certificate is not valid as an exemption certificate. However, vendors may accept resale certificates that bear the exemption number issued to a religious organization. Exemption certifications issued to religious organizations consist of 8 digits, the first two of which are always "29".
- 11 Michigan: Effective for a period of three years unless a lesser period is mutually agreed to and stated on this certificate. Covers all exempt transfers when accepted by the seller in "good faith" as defined by Michigan statute.
- 12 Minnesota: A. Does not allow a resale exemption for purchases of taxable services for resale in most situations.
B. Allows an exemption for items used only once during production and not used again.
- 13 Missouri: A. Purchasers who improperly purchase property or services sales tax free using this certificate may be required to pay the tax, interest, additions to tax or penalty.
B. Even if property is delivered outside Missouri, facts and circumstances may subject it to Missouri tax, contrary to the second sentence of the first paragraph of the above instructions.
- 14 Nebraska: A blanket certificate is valid 3 years from the date of issuance.
- 15 New Mexico will accept, in lieu of a nontaxable transaction certificate and as evidence of the deductibility of a sale of tangible personal property, this certificate only when the following conditions exist:
- a) Both the seller and purchaser are located outside New Mexico;
 - b) The seller maintains sufficient nexus within New Mexico to be subject to the New Mexico gross receipts tax on its transaction in or into New Mexico;
 - c) The purchaser request that the seller deliver or "drop-ship" the tangible personal property to the purchaser's customer in New Mexico.
- 16 Oklahoma would allow this certificate in lieu of a copy of the purchaser's sales tax permit as one of the elements of "properly completed documentation" which is one of the three requirements which must be met prior to the vendor being relieved of liability. The other two requirements are that the vendor must have the certificate in his possession at the time the sale is made and must accept the documentation in good faith. The specific documentation required under OAC 710:65-7-6 is:
- A) Sales tax permit information may consist of:
 - (i) A copy of the purchaser's sales tax permit; or
 - (ii) In lieu of a copy of the permit, obtain the following:
 - (I) Sales tax permit number; and
 - (II) The name and address of the purchaser;
 - B) A statement that the purchaser is engaged in the business of reselling the articles purchased;
 - C) A statement that the articles purchased are purchased for resale;
 - D) The signature of the purchaser or a person authorized to legally bind the purchaser; and
 - E) Certification on the face of the invoice, bill or sales slip or on separate letter that said purchaser is engaged in reselling the articles purchased.
- Absent strict compliance with these requirements, Oklahoma holds a seller liable for sales tax due on sales where the claimed exemption is found to be invalid, for whatever reason, unless the Tax Commission determines that purchaser should be pursued for collection of the tax resulting from improper presentation of a certificate.
- 17 Rhode Island and Wisconsin allow this certificate to be used to claim a resale exemption only when the item will be resold in the same form. They do not permit this certificate to be used to claim any other type of exemption.

- 18 South Dakota: Services which are purchased by a service provider and delivered to a current customer in conjunction with the services contracted to be provided to the customer are considered to be for resale. Receipts from the sale of a service for resale by the purchaser are not subject to sales tax if the purchaser furnishes a resale certificate which the seller accepts in good faith. In order for the transaction to be a sale for resale, the following conditions must be present:
- (1) The service is purchased for or on behalf of a current customer;
 - (2) The purchaser of the service does not use the service in any manner; and
 - (3) The service is delivered or resold to the customer without any alteration or change.
- 19 Texas: Items purchased for resale must be for resale within the geographical limits of the United States, its territories and possessions.
- 20 Washington: A. Blanket resale certificates must be renewed at intervals not to exceed four years;
B. This certificate may be used to document exempt sales of "chemicals to be used in processing an article to be produced for sale."
C. Buyer acknowledges that the misuse of the resale privilege claimed on the certificate is subject to the legally prescribed penalty of fifty percent of the tax due, in addition to the tax, interest, and any other penalties imposed by law.

State of New Jersey
DIVISION OF TAXATION

SALES TAX
FORM ST-3

PURCHASER'S NEW JERSEY
TAXPAYER REGISTRATION NUMBER*

The seller must collect the tax on a sale of taxable property or services unless the purchaser gives him a fully completed New Jersey exemption certificate.

RESALE CERTIFICATE

To be completed by purchaser and given to and retained by seller. See instructions on back.
Seller should read and comply with the instructions given on both sides of an exemption certificate.

TO _____ Date _____
(Name of Seller)

_____ Address _____ City _____ State _____ Zip _____

The undersigned certifies that:

- (1) He holds a valid Certificate of Authority (number shown above) to collect State of New Jersey Sales and Use Tax.
- (2) He is principally engaged in the sale of (indicate nature of merchandise or service sold):

- (3) The merchandise or services being herein purchased are described as follows:

- (4) The **merchandise** described in (3) above is being purchased: *(check one or more of the blocks which apply)*
 - (a) For resale in its present form.
 - (b) For resale as converted into or as a component part of a product produced by the undersigned.
 - (c) For use in the performance of a taxable service on personal property, where the property which is the subject of this Certificate becomes part of the property being serviced or is later transferred to the purchaser of the service in conjunction with the performance of the service.
- (5) The services described in (3) above are being purchased: *(check the block which applies)*
 - (a) By a seller who will either collect the tax or will resell the services.
 - (b) To be performed on personal property held for sale.

I, the undersigned purchaser, have read and complied with the instructions and rules promulgated pursuant to the New Jersey Sales and Use Tax Act with respect to the use of the Resale Certificate, and it is my belief that the seller named herein is not required to collect the sales or use tax on the transaction or transactions covered by this Certificate. The undersigned purchaser hereby swears under the penalties for perjury and false swearing that all of the information shown in this Certificate is true.

NAME OF PURCHASER* (as registered with the New Jersey Division of Taxation)

(Address of Purchaser)*

Type of Business*

By _____
(Signature of owner, partner, officer of corporation, etc.)* (Title)

INSTRUCTIONS FOR USE OF RESALE CERTIFICATES - ST-3

1. Registered sellers who accept fully completed exemption certificates within 90 days subsequent to the date of sale are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate. The following information must be obtained from a purchaser in order for the exemption certificate to be fully completed:
 - Purchaser's name and address;
 - Type of business;
 - Reasons(s) for exemption;
 - Purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number;
 - If a paper exemption certificate is used (including fax), the signature of the purchaser.

The seller's name and address are not required and are not considered when determining if an exemption certificate is fully completed. A seller that enters data elements from paper into an electronic format is not required to retain the paper exemption certificate.

The seller may, therefore, accept this certificate as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption. If it is determined that the purchaser improperly claimed an exemption, the purchaser will be held liable for the nonpayment of the tax.

2. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection.
3. **Acceptance of an exemption certificate in an audit situation** – On and after October 1, 2011, if the seller either has not obtained an exemption certificate or the seller has obtained an incomplete exemption certificate, the seller has at least 120 days after the Division's request for substantiation of the claimed exemption to either:
 1. Obtain a fully completed exemption certificate from the purchaser, taken in good faith, which, in an audit situation, means that the seller obtain a certificate claiming an exemption that:
 - (a) was statutorily available on the date of the transaction, and
 - (b) could be applicable to the item being purchased, and
 - (c) is reasonable for the purchaser's type of business; OR
 2. Obtain other information establishing that the transaction was not subject to the tax.

If the seller obtains this information, the seller is relieved of any liability for the tax on the transaction unless it is discovered through the audit process that the seller had knowledge or had reason to know at the time such information was provided that the information relating to the exemption claimed was materially false or the seller otherwise knowingly participated in activity intended to purposefully evade the tax that is properly due on the transaction. The burden is on the Division to establish that the seller had knowledge or had reason to know at the time the information was provided that the information was materially false.

4. **Additional Purchases by Same Purchaser** - This certificate will serve to cover additional purchases by the same purchaser of the same general type of property. However, each subsequent sales slip or purchase invoice based on this Certificate must show the purchaser's name, address and New Jersey, Federal, or out of state registration number for purpose of verification.
5. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection on or before the 90th day following the date of the transaction to which the certificate relates.

EXAMPLES OF PROPER USE OF RESALE CERTIFICATE

- a. A retail household appliance store owner issues a Resale Certificate when purchasing household appliances from a supplier for resale.
- b. A furniture manufacturer issues a Resale Certificate to cover the purchase of lumber to be used in manufacturing furniture for sale.
- c. An automobile service station operator issues a Resale Certificate to cover the purchase of auto parts to be used in repairing customer cars.

EXAMPLES OF IMPROPER USE OF RESALE CERTIFICATE

In the examples below, the seller should not accept Resale Certificates, but should insist upon payment of the sales tax.

- a. A lumber dealer can not accept a Resale Certificate from a tire dealer who is purchasing lumber for use in altering his premises.
- b. A distributor may not issue a Resale Certificate on purchases of cleaning supplies and other materials for his own office maintenance, even though he is in the business of distributing such supplies.
- c. A retailer may not issue a Resale Certificate on purchases of office equipment for his own use, even though he is in the business of selling office equipment.
- d. A supplier can not accept a Resale Certificate from a service station owner who purchases tools and testing equipment for use in his business.

REPRODUCTION OF RESALE CERTIFICATE FORMS: Private reproduction of both sides of Resale Certificates may be made without the prior permission of the Division of Taxation.

FOR MORE INFORMATION: Call the Customer Service Center (609) 292-6400. Send an e-mail to: nj.taxation@treas.state.nj.us. Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.

State of New Jersey
DIVISION OF TAXATION

SALES TAX

CONTRACTOR'S NEW JERSEY TAX
REGISTRATION NUMBER*

To be completed by contractor and
retained by seller.

FORM ST-13

CONTRACTOR'S EXEMPT PURCHASE CERTIFICATE

TO: _____
(Name of Seller) (Date)

(Address of Seller)

The materials, supplies, or services purchased by the undersigned are for exclusive use in erecting structures, or building on, or otherwise improving, altering or repairing real property of the exempt organization, governmental entity, or qualified housing sponsor named below and are exempt from Sales and Use Tax under N.J.S.A. 54:32B-8.22.

*THIS CONTRACT COVERS WORK TO BE PERFORMED FOR: (Check one)

EXEMPT ORGANIZATION

Name of Exempt Organization _____

Address _____

Exempt Organization Number _____

NEW JERSEY OR FEDERAL GOVERNMENTAL ENTITY

Name of Governmental Entity _____

Address of Governmental Entity _____

QUALIFIED HOUSING SPONSOR

Name of Qualified Housing Sponsor _____

Address of Qualified Housing Sponsor _____

ADDRESS OR LOCATION OF CONTRACT WORK SITE: (property must be owned or leased by one of the above)

I, the undersigned contractor, hereby verify and affirm that all of the information shown on this certificate is true.

Name of Contractor as registered with the New Jersey Division of Taxation*

Address of Contractor*

Signature of Contractor or Authorized Employee*

See INSTRUCTIONS on reverse side.

**INSTRUCTIONS TO SELLERS CONCERNING
CONTRACTOR'S EXEMPT PURCHASE CERTIFICATES - ST-13**

1. Registered sellers who accept fully completed exemption certificates within 90 days subsequent to the date of sale are relieved of liability for the collection and payment of sales tax on the transactions covered by the exemption certificate. The following information must be obtained from a purchaser in order for the exemption certificate to be fully completed:

- Purchaser's name and address;
- Type of business;
- Reasons(s) for exemption;
- Purchaser's New Jersey tax identification number or, for a purchaser that is not registered in New Jersey, the Federal employer identification number or out-of-State registration number. Individual purchasers must include their driver's license number;
- If a paper exemption certificate is used (including fax), the signature of the purchaser.

The seller's name and address are not required and are not considered when determining if an exemption certificate is fully completed. A seller that enters data elements from paper into an electronic format is not required to retain the paper exemption certificate.

The seller may, therefore, accept this certificate as a basis for exempting sales to the signatory purchaser and is relieved of liability even if it is determined that the purchaser improperly claimed the exemption. If it is determined that the purchaser improperly claimed an exemption, the purchaser will be held liable for the nonpayment of the tax.

2. **Retention of Certificates** - Certificates must be retained by the seller for a period of not less than four years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the seller and available for inspection.

3. **Acceptance of an exemption certificate in an audit situation** – On and after October 1, 2011, if the seller either has not obtained an exemption certificate or the seller has obtained an incomplete exemption certificate, the seller has at least 120 days after the Division's request for substantiation of the claimed exemption to either:

1. Obtain a fully completed exemption certificate from the purchaser, taken in good faith, which, in an audit situation, means that the seller obtain a certificate claiming an exemption that:
 - (a) was statutorily available on the date of the transaction, and
 - (b) could be applicable to the item being purchased, and
 - (c) is reasonable for the purchaser's type of business; OR
2. Obtain other information establishing that the transaction was not subject to the tax.

If the seller obtains this information, the seller is relieved of any liability for the tax on the transaction unless it is discovered through the audit process that the seller had knowledge or had reason to know at the time such information was provided that the information relating to the exemption claimed was materially false or the seller otherwise knowingly participated in activity intended to purposefully evade the tax that is properly due on the transaction. The burden is on the Division to establish that the seller had knowledge or had reason to know at the time the information was provided that the information was materially false.

4. **Additional Purchases by Same Purchaser** - This Certificate will serve to cover additional purchases by the same purchaser of the same general type of property or service.

5. **Definitions:**

"Contractor" - means any individual, partnership, corporation or other commercial entity engaged in any business involving erecting structures for others, or building on, or otherwise improving, altering, or repairing real property of others.

"Exempt Organization" - is any organization which holds a valid exempt organization permit issued pursuant to the provisions of N.J.S.A. 54:32B-9(b) which has issued an ST-5 Exempt Organization Certificate to the contractor.

"New Jersey or Federal Governmental Entity" - is any agency, instrumentality, political subdivision, authority, or public corporation of the governments of the United States of America or the State of New Jersey. Governmental agencies, instrumentalities or political subdivisions of states other than New Jersey do not qualify for exemption.

"Qualified Housing Sponsor" - is any person, partnership, corporation or association certified by the New Jersey Housing and Mortgage Finance Agency to have obtained financing, in addition to federal, state or local government subsidies, for a housing project from the New Jersey Housing and Mortgage Finance Agency pursuant to N.J.S.A. 55:14K-1, et seq. and has issued a New Jersey Sales and Use Tax Housing Sponsor Letter of Exemption to the contractor.

PRIVATE REPRODUCTION of Contractor's Exempt Purchase Certificates may be made without the prior permission of the Division of Taxation.

FOR MORE INFORMATION:

Call the Customer Service Center (609) 292-6400. Send an e-mail to: nj.taxation@treas.state.nj.us.

Write to: New Jersey Division of Taxation, Information and Publications Branch, PO Box 281, Trenton, NJ 08695-0281.