



Vermont Sales Tax Exemption Certificate
for

**MANUFACTURING, PUBLISHING, RESEARCH & DEVELOPMENT,
or PACKAGING**

32 V.S.A. § 9741(14), (15), (16), (24)

**Form
S-3M**

To be filed with the **SELLER**, not with the Vermont Department of Taxes.

- Single Purchase - Enter Purchase Price \$ _____
- Multiple Purchase (effective for subsequent purchases.)

BUYER

Buyer's Name		Vermont Registration Certificate Number	
Trading as		Federal ID Number	
Address		Telephone Number	
City	State	ZIP Code	
Buyer's Primary Business			

SELLER

Seller's Name		
Address		
City	State	ZIP Code

EXEMPTION CLAIMED

DESCRIPTION. Description of purchased articles
<p>BASIS FOR EXEMPTION</p> <p><input type="checkbox"/> Property consumed in manufacturing tangible personal property for sale.</p> <p><input type="checkbox"/> Machinery and equipment used in or consumed as an integral or essential part of an integrated manufacturing production operation.</p> <p><input type="checkbox"/> Packaging or shipping materials for use by a manufacturer or wholesale distributor.</p> <p><input type="checkbox"/> Property for use or consumption directly and exclusively in commercial, industrial, or agricultural research or development.</p> <p><input type="checkbox"/> Protective glasses, gloves, and other materials used or consumed exclusively in the manufacturing of tangible personal property for sale.</p>

SIGNATURE

I certify that, to the best of my knowledge and belief, the statements provided here are true and correct.



Signature of Buyer or Authorized Agent

Title

Date

FORM S-3M Instructions

Vermont Sales Tax Exemption Certificate for Manufacturing, Publishing, Research & Development, or Packaging

General Information

Please print in **BLUE** or **BLACK** ink only.

Tangible personal property is property which can be seen, touched, and measured.

The term “distributor” does not include retailers selling directly to the ultimate consumer. Retail stores of all kinds and restaurants are not included in the terms “manufacturer” or “distributor.”

Tangible personal property that becomes an ingredient or component part of, or is consumed or destroyed in the manufacture of property for sale is exempt. Further, machinery and equipment used in or consumed as an integral or essential part of an integrated production operation by a manufacturing plant is exempt. Where manufacturing begins and ends is described in 32 V.S.A. § 9741(14). Pre-manufacturing and post-manufacturing do not qualify for this exemption except for machinery used for packaging and quality control – this machinery is exempt even if used after the manufacturing process is complete. Examples of activities not qualifying include procuring raw materials, storing raw materials and finished goods, and administrative business operations.

Form S-3F should be used for purchases of fuel or electricity used directly or indirectly in manufacturing.

Accepting an Exemption Certificate in “Good Faith”

The buyer must present to the seller an accurate and properly executed exemption certificate for the exempted sale. The responsibility is on the seller to determine if the buyer is submitting the exemption certificate in “good faith.” This requires the seller to be familiar with Vermont Sales and Use Tax law and regulations, including exemptions, that apply to the seller’s business. If the buyer provides a certificate that is not valid, i.e., the item purchased does not qualify for the exemption, this is not in good faith and the seller should not accept the certificate. When the seller accepts the certificate in good faith, the seller is not liable for collecting and remitting Vermont Sales Tax.

An exemption certificate is received at the time of sale in good faith when all of the following conditions are met:

- The certificate contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- The certification is on an exemption form issued by the Vermont Department of Taxes or a form with substantially identical language.
- The certificate is signed, dated and complete (all applicable sections and fields completed).
- The property purchased is of a type ordinarily used for the stated purpose, or the exempt use is explained.

Improper Certificate / Lack of Certificate

Sales transactions which are not supported by properly executed exemption certificates shall be deemed to be taxable retail sales. **The burden of proof that the tax was not required to be collected is upon the SELLER.**

Retention of Certificates

Certificates must be retained by the seller for a period of not less than three (3) years from the date of the last sale covered by the certificate.

Additional Purchases by Same Buyer

If the buyer presents a “Multiple Purchase” exemption certificate to the seller, it may be used only when purchasing *tangible personal property for use as indicated on this exemption certificate*. For each purchase covered by the exemption certificate, the sales slip or invoice must show the buyer’s name and address sufficient to link the purchase to the exemption certificate on file.