

	<p>Vermont Sales Tax Exemption Certificate for</p> <p>Fuel or Electricity</p> <p>32 V.S.A. §§ 9741(7), (26), (27), (34)</p>	<p>Form S-3F</p>
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Note for the **BUYER:** The buyer must read and follow all instructions prior to completing and signing.
The buyer must file the certificate with the **seller**, not the Department of Taxes.

Note for the **SELLER:** The seller must retain an exemption certificate for every exempt transaction.

An exemption certificate that is accepted in good faith by the seller relieves the seller of liability for tax due. More information on multiple purchases and "good faith" can be found in the instructions on page 3 of this form.

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

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

BUYER

Buyer's Name		SSN or FEIN
Address		Telephone Number
City	State	ZIP Code

SELLER

Seller's Name		
Address		
City	State	ZIP Code

EXEMPTION

A. Exemption Claimed (check one)

- ☐ Forestry use per 32 V.S.A. § 9741(7)
- ☐ Residential use per 32 V.S.A. § 9741(26)
- Please note:** Properties zoned as residential do not require a certificate.
- ☐ Agricultural use per 32 V.S.A. § 9741(27)
- ☐ Manufacturing use per 32 V.S.A. § 9741(34)

B. Portion Exempt (check one)

- ☐ All purchases of fuel or electricity qualify (100%).
- ☐ Part of the fuel or electricity is exempt. The **exempt** percentage is _____ %

SIGNATURE

I hereby certify that the fuel or electricity to be purchased will be used in the manner indicated above.



Signature of Buyer or Authorized Agent

Title

Date

NOTE: Buyer must provide a completed form to each supplier prior to making purchases exempt from Vermont Sales and Use tax. A certificate is valid for three years from the date the buyer has signed or certified it unless it is withdrawn by the buyer. The seller must retain the certificate for three years after the date of the last sale covered by the certificate.

FORM S-3F Instructions
Vermont Sales Tax Exemption Certificate for
Fuel or Electricity

General Information

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

For the purposes of these exemptions, "fuels" shall include electricity, oil, kerosene, natural gas, propane, wood, coal, and any similar product. For more information about sales and use tax or this exemption, please visit our website and refer to our sales and use tax regulations.

Sales transactions not supported by properly executed exemption certificates are taxable retail sales, and the seller must collect the sales tax.

Exemption Claimed

Part A You must check the type of exemption — forestry, residential, agricultural, or manufacturing — you are claiming.

Forestry

Off-road dyed diesel used to power machinery described in 32 V.S.A. § 9741(51) is exempt from sales and use tax. This includes dyed diesel used in skidders with grapple and cable, feller bunchers, cut-to-length processors, forwarders, delimbers, loader slashers, log loaders, whole-tree chippers, stationary screening systems, and firewood processors, elevators, and screens.

Residential

Exempt use of energy is defined by Reg. § 1.9741(26) for residential and domestic use. Domestic use may include the heating of space or water, lighting, air conditioning, and the operation of appliances in both primary and secondary residences but may not include motels or other facilities for short term rentals or facilities, such as nursing homes, which are in the business of providing care or service beyond board and shelter.

Agricultural

Exempt use of energy is defined by Reg. § 1.9741(27) for farming purposes. A farm means an enterprise using land and improvements for agriculture or horticultural production for the sale of tangible personal property. Orchards and greenhouses are considered farms for purposes of this exemption. Slaughter houses, logging operations, and food processing facilities are not considered farms.

Manufacturing

Exempt use of energy is defined by Reg. 1.9741(34). The exempt portion must be used directly or indirectly in manufacturing. Manufacturing is defined under 32 V.S.A. § 9741(14). A portion that is not exempt is energy used for administrative functions, sales and marketing, research and development, storage in a retail sales area, and ancillary services such as conference rooms, cafeterias, etc.

Part B If all of the fuel or electricity you are purchasing is eligible, check the box indicating 100%. If only a portion of the purchase qualified for an exemption, check the appropriate box and write in the percentage of the total purchase that is **exempt** from tax.

Other Exemptions

Fuel is exempt from sales tax when being sold to organizations listed under 32 V.S.A. § 9743. These exempt organizations include the State of Vermont and a school or municipality. Sales to such organizations do not need an S-3F form.

Off-road dyed diesel is exempt from sales and use tax if it is used to propel a vehicle off the roads of the state. 32 V.S.A. § 9741(7). Sales of such dyed diesel do not require an S-3F form.

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. 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.
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Burden of Proof

The burden of proof is on the seller to demonstrate the certificate was taken in good faith. If the seller cannot provide an exemption certificate showing that the sale was exempt, the Department will seek to collect tax from the seller. If, however, the seller can prove the buyer's claim for the exemption was false, the Department will seek to collect the tax from the buyer.

Use of One Certificate for Multiple Purchases

A buyer may use the same certificate to claim the same exemption for multiple purchases with the seller.

Every individual tax-exempt transaction must be linked to a specific exemption certificate. Therefore, for instances where a certificate is used for multiple purchases, the seller must indicate on the sales slip which exemption certificate is being used. A seller risks liability for sales tax for transactions that are not clearly linked to a specific exemption certificate.

The exemption certificate must be renewed every three years.

Obtaining the Certificate

The seller must obtain an exemption certificate from the buyer either prior to or at the time of the sale. If the certificate is not available at the time of sale, the seller has 90 days after the sale to obtain a fully executed certificate, accepted in good faith.

Retaining the Certificate

Sellers must retain exemption certificates and instructions for at least three years from the date of the last sale covered by the certificate to document why tax was not collected from the buyer.
