

**Certificate for Purchases of Diesel Motor Fuel
or Residual Petroleum Product for Farmers and
Commercial Horse Boarding Operations**

To purchasers and sellers: Carefully read the information on the back of this form and the certifications below before giving or accepting this certificate.

To sellers: You must collect the applicable taxes on the sale of diesel motor fuel or residual petroleum product unless the purchaser gives you a properly completed exemption document no later than 90 days after the delivery of the product sold. Keep the certificate for at least three years from the last sale covered by this certificate.

To purchasers: Complete this certificate and give it to the seller.

Please type or print

Name of seller	Name of farmer or commercial horse boarding operator
Street address	Street address
City State ZIP code	City State ZIP code

☐ Single-purchase certificate. Enter invoice number _____ and number of gallons _____.

☐ Blanket certificate. This certificate will be considered part of any order given and will remain in effect until revoked by written notice from the purchaser or until the Tax Department notifies you that the purchaser may not make exempt purchases. It covers only the types of purchases marked below. If the conditions change for any of the boxes marked below (a, b, c, d, e, or f), complete a new FT-1004 to cover the new types of purchases.

For diesel motor fuel purchases only (mark an **X** in the appropriate box in Part I and in Part II)**Part I** (mark an **X** in box a or b)

- a ☐ The diesel motor fuel will be consumed **directly and exclusively** in the production of tangible personal property for sale by farming, and all of the diesel motor fuel covered by this certificate **will be delivered to my farm site**, and will not be consumed on the highways of this state except to reach adjacent farmlands (exempt from diesel motor fuel tax, petroleum business tax, and sales tax).
- b ☐ The diesel motor fuel will be used or consumed either in the production of tangible personal property for sale by farming or in a commercial horse boarding operation (see definition on back), or in both, and will not be consumed on the highways of this state except to reach adjacent farmlands or adjacent lands used in a commercial horse boarding operation, or both (subject to diesel motor fuel tax and petroleum business tax at the automotive diesel motor fuel rate, but exempt from sales tax).

Part II (mark an **X** in box c or d)

- c ☐ The total number of tax-exempt gallons of diesel motor fuel delivered directly to me from all sources for any 30-day period does not exceed 4,500 gallons.
- d ☐ I have been granted clearance by the Department of Taxation and Finance to purchase diesel motor fuel tax exempt in amounts in excess of 4,500 gallons for each 30-day period. I gave a copy of the letter granting clearance to the above-named seller. (For the certificate to be complete, the distributor of diesel motor fuel or the retailer of heating oil only must maintain a method of directly associating the letter granting clearance with this certificate.)

For residual petroleum product purchases only (mark an **X** in the appropriate box in Part III)**Part III** (mark an **X** in box e or f)

- e ☐ The residual petroleum product will be used or consumed **directly and exclusively** in the production of tangible personal property for sale by farming, and all of the residual petroleum product covered by this certificate will be delivered to my farm site (exempt from petroleum business tax and sales tax).
- f ☐ The residual petroleum product will be used or consumed in the production of tangible personal property for sale by farming or in a commercial horse boarding operation (see definition on back), or both (exempt from sales tax, but subject to petroleum business tax at the commercial gallonage rate).

I certify that the above statements are true and complete, and I make these statements with the knowledge that willfully issuing a false or fraudulent certificate with the intent to evade tax is a misdemeanor under sections 1812(c)(4), 1812-f(c)(4), and 1817(m) of the New York State Tax Law and section 210.45 of the Penal Law, punishable by a fine up to \$10,000 for an individual or \$20,000 for a corporation. I also understand that the Tax Department is authorized to investigate the validity of exemptions claimed or the accuracy of any information entered on this form.

Type or print name of farmer, commercial horse boarding operator, or representative	
Signature of farmer, commercial horse boarding operator, or representative	Date / /

Instructions

General information

This form may be used by farmers and commercial horse boarding operators to purchase diesel motor fuel and residual petroleum product exempt from diesel motor fuel tax, petroleum business tax, and state and local sales taxes.

Definitions

Farming includes agriculture, floriculture, horticulture, aquaculture, and silviculture; stock, dairy, poultry, fruit, fur bearing animal, truck, and tree farming; ranching; graping; operating nurseries, greenhouses, vineyard trellises, or other similar structures used primarily for the raising of agricultural, horticultural, vinicultural, viticultural, floricultural, or silvicultural commodities; operating orchards; raising, growing, and harvesting crops, livestock, and livestock products, as defined in subdivision 2 of section 301 of the Agriculture and Markets Law; and raising, growing, and harvesting woodland products, including, but not limited to, timber, logs, lumber, pulpwood, posts, and firewood.

Commercial horse boarding operation means an agricultural enterprise of at least seven acres and boarding at least 10 horses, regardless of ownership, that receives \$10,000 or more in gross receipts annually from fees generated either through:

- the boarding of horses; or
- the production for sale of crops, livestock, and livestock products; or
- both.

Under no circumstances shall this be construed to include operations whose primary on-site function is horse racing.

Diesel motor fuel means kerosene, crude oil, fuel oil or other middle distillate and also motor fuel suitable for use in the operation of an engine of the diesel type, excluding, however, any product specifically designated *No. 4 diesel fuel* and not suitable as a fuel used in the operation of a motor vehicle engine.

Enhanced diesel motor fuel is the product that results from the addition of kerosene or any other substance or additive, such as cetane improver, to fuel oil or other middle distillate that improves or enhances the middle distillate's performance in the operation of a diesel motor vehicle engine (other than the addition of a substance to No. 2 fuel oil for the purpose of lowering the cloud point or pour point). Enhanced diesel motor fuel includes any product designated as:

- diesel fuel;
- No. 1 diesel fuel;
- enhanced No. 2 fuel oil (the blended product that results from the mixing of No. 2 fuel oil with kerosene or cetane improver);
- No. 2 diesel fuel;
- any similar industry designation commonly applied to a fuel used in the operation of a diesel motor vehicle engine.

Unenhanced diesel motor fuel is No. 2 fuel oil, kero-jet fuel, kerosene, and other fuels of the diesel type that have not been enhanced.

To the farmer or commercial horse boarding operator

This is the only certificate you may use to purchase, exempt from diesel motor fuel tax, petroleum business tax, or sales tax, diesel motor fuel or residual petroleum product for use in the production of tangible personal property for sale by farming or for use in a commercial horse boarding operation, or both.

If you are a commercial fisherman, you may not use this form. You must pay the tax and apply for a refund (see Form AU-631, *Claim for Refund/Reimbursement of Taxes Paid on Fuel Used in a Vessel Engaged in Commercial Fishing*).

The exemption for farmers from diesel motor fuel tax and petroleum business tax imposed on purchases of diesel motor fuel, or from petroleum business tax imposed on purchases of residual petroleum product, is limited to fuel used or consumed directly and exclusively in the production phase of farming. Purchases for use in administration, storage, or marketing, or for use indirectly in farming, do not qualify.

The exemption for farmers and commercial horse boarding operators from sales tax does not require the fuel to be used directly and exclusively in farm production or commercial horse boarding operations. The fuel must be used or consumed in the production of tangible personal property for sale by farming or in a commercial horse boarding operation, or both.

The exemption for farmers and commercial horse boarding operators from taxes on diesel motor fuel is limited to 4,500 gallons in a 30-day period, unless the farmer or commercial horse boarding operator obtains prior written clearance from the Tax Department (see the note below for the exemption for kerosene). To obtain prior written clearance, send a letter to the following address:

NYS TAX DEPARTMENT
TTTB/FACCTS - FUELS AUDIT UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0250

Note: Kerosene is exempt from petroleum business tax if it is not blended or mixed with any other product constituting diesel motor fuel, motor fuel, or residual petroleum product, and is not sold or used in a motor vehicle or delivered into a tank equipped with a nozzle or other apparatus that can dispense fuel into a motor vehicle. The exemption from petroleum business tax for kerosene as described above is not subject to the 4,500 gallon limitation in Part II.

Seller

You must be registered as a distributor of diesel motor fuel or as a retailer of heating oil only to sell diesel motor fuel for use directly and exclusively in the production of tangible personal property by farming. However, a retailer of heating oil only is not allowed to sell enhanced diesel motor fuel (box a).

To sell diesel motor fuel that is used (not directly and exclusively) in the production of tangible personal property by farming, or used in a commercial horse boarding operation, you must be registered as a distributor of diesel motor fuel (box b).

To sell residual petroleum product, you must be registered as a residual petroleum product business (boxes e and f).

If all entries have been completed and the certificate has been signed by the purchaser (or representative), you may accept the certificate in lieu of collecting tax on your sale of the fuel type described in the boxes marked.

The farmer or commercial horse boarding operator must give you an exemption certificate with all entries completed no later than 90 days after the delivery of the diesel motor fuel or residual petroleum product. Otherwise, the sale will be considered to have been taxable at the time the transaction took place. If, within the 90 days, you are given an exemption certificate that is deficient (for example, some required entries are left blank), it will be considered satisfactory if the deficiency is corrected within a reasonable period of time. If you do not receive the certificate within the 90 days, you will share with the purchaser the burden of proving the sale was exempt.

You must keep this exemption certificate for at least three years after either the due date of the last return to which it relates or the date when the return was filed (whichever is later). You must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate you have on file for that customer.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M.
(eastern time), Monday through Friday.

To order forms and publications: 1 800 462-8100

Business Tax Information Center: 1 800 972-1233

From areas outside the U.S. and outside Canada: (518) 485-6800

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.