South Dakota Streamlined Sales Tax Agreement

Certificate of Exemption

Warning to purchaser:

This is a multi-state form. Not all states allow all exemptions listed on this form. Purchasers are responsible for knowing if they qualify to claim exemption from tax in the state that is due tax on this sale. The state that is due tax on this sale may be notified that you claimed exemption from sales tax.

The purchaser will be held liable for any tax and interest, and possible civil and criminal penalties imposed by the member state, if the purchaser is not eligible to claim this exemption.

1. ☐ **Check if you are attaching the Multistate Supplemental form.**

S D **If not, enter the two-letter abbreviation** for the state under whose laws you are claiming exemption.

2. ☐ Check if this certificate is for a **Single Purchase Certificate**. Invoice/purchase order #_____.

3. Print or type

STATE OF SOUTH DAKOTA Phone: 1-605-773-3405

A. Name of purchaser

523 East Capitol Avenue | Pierre | SD | 57501-3182

B. Business address | City | State | Zip code

46-6000364

C. Purchaser's tax ID number | State of Issue | County of Issue

D. If no tax ID number, enter FEIN

E. If no ID number or FEIN, enter Driver's License Number/State Issued ID number | state of issue

F. Foreign diplomat number

G. Name of seller from whom you are purchasing, leasing or renting

H. Seller's address | City | State | Zip code

4. Circle type of business

Purchaser's Type of business. Circle the number that best describes your business.

01 Accommodation and food services
02 Agriculture, forestry, fishing, hunting
03 Construction
04 Finance and insurance
05 Information, publishing and communications
06 Manufacturing
07 Mining
08 Real estate
09 Rental and leasing
10 Retail trade
11 Transportation and warehousing
12 Utilities
13 Wholesale trade
14 Business services
15 Professional services
16 Education and health-care services
17 Nonprofit organization
18 Government
19 Not a business
20 Other (*explain*)_____

5. Circle reason for exemption

Reason for exemption. Circle the letter that identifies the reason for the exemption.

A Federal government (*Department*)
B State or local government (*Agency*) _____
C Tribal government
D Foreign diplomat
E Charitable organization
F Religious or educational organization
G Resale
H Agricultural
I Industrial production/manufacturing Does not apply in SD
J Direct pay permit
K Multiple points of use (services, digital goods, or computer software delivered electronically)
L Direct mail
M Other (*Explain*) _____

6. Sign here

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief.

Signature of authorized purchaser	Print name here	Title	Date
	Steven L. Berg	Procurement Director	1/01/16

South Dakota Streamlined Sales and Use Tax Agreement
Certificate of Exemption: Multistate Supplemental

Name of Purchaser

State	Reason for exemption	Identification number (if required)
AR*		
IA		
IN		
KS		
KY		
MI		
MN		
NC		
ND		
NE		
NJ		
NV		
OH		
OK		
SD		
TN*		
UT		
WV		
WY		

* SSUTA Direct Mail and MPU provisions are not in effect for Arkansas and Tennessee

A seller doing business in a state that is not a member of the Streamlined Agreement must obtain documentation to support exempt transactions as required by that state.

South Dakota Streamlined Sales and Use Tax Agreement
Certificate of Exemption Instructions

Use this form to claim exemption from sales tax on purchases of otherwise taxable items. The purchaser must complete all fields on the exemption certificate and provide the fully completed certificate to the seller in order to claim exemption.

Warning to purchaser: You are responsible for ensuring that you are eligible for the exemption you are claiming. You will be held liable for any tax and interest, as well as penalties imposed by the member state due the tax on your purchase, if the purchase is not legally exempt.

Misuse of exemption certificates in South Dakota: Any purchaser who knowingly and intentionally purchases items for resale that he or she knows will not be resold, or provides an invalid exemption certificate with the intent to evade payment of the tax, must pay the use tax on these items and may be guilty of a Class I misdemeanor and fined up to 50% of the tax owed. If a business legitimately purchases an item for resale, but later uses that item, the purchaser is responsible for reporting and paying use tax on that item.

Purchaser instructions for completing the exemption certificate

1. Some purchasers may wish to complete a single certificate for multiple states where they conduct business and regularly make exempt purchases from the same seller. If you do, check the box on the front of the SSUTA Certificate of Exemption to indicate that you are attaching the *Multistate Supplemental* form.

   If you are not attaching the Multistate Supplemental form, enter the two-letter postal abbreviation for the state under whose laws you are claiming exemption. For example, if you are claiming an exemption from sales or use tax imposed by the state of Minnesota, enter "MN" in the boxes provided. If you are claiming exemption for more than one member state, complete the *SSUTA Certificate of Exemption: Multistate Supplemental* form.

2. **Single purchase exemption certificate:** Check this box if this exemption certificate is being used for a single purchase. Include the invoice or purchase order number for the transaction.

   If this box is not checked, this certificate will be treated as a blanket certificate. A blanket certificate continues in force so long as the purchaser is making recurring purchases *(at least one purchase within a period of twelve consecutive months)* or until otherwise cancelled by the purchaser.

3. **Purchaser information:** Complete the purchaser and seller information section, as requested. You must include an identification number for you or your business. Include your state tax identification number and identify the state and/or country that issued the number to you. If you do not have a state tax identification number, enter the Federal Employers Identification Number (FEIN) issued to your business, or if no FEIN number is required, enter your personal driver's license number and the state in which it is issued. Foreign diplomats and consular personnel must enter the individual tax identification number shown on the sales tax exemption card issued to you by the United States Department of State's Office of Foreign Missions.

   Multistate Purchasers: The purchaser should enter its headquarters address as its business address.

4. **Type of business:** Circle the number that best describes your business or organization. If none of the categories apply, circle number 20 and provide a brief description.

5. **Reason for exemption:** Circle the exemption that applies to you or your business and enter the additional information requested for that exemption. If the member state that is due tax on your purchase does not require the additional information requested for the exemption reason code circled, enter "NA" for not applicable on the appropriate line. If an exemption that is not listed applies, circle "M Other" and enter an explanation. The explanation for "M Other" must include a clear and concise explanation of the reason for the exemption claimed.

   Multistate Purchasers: Attach the *SSUTA Certificate of Exemption – Multistate Supplemental Form* and indicate the applicable reason for exemption and identification number (if required) for each of the additional states in which the purchaser wishes to claim exemption from tax.

   CAUTION: The exemptions listed are general exemptions most commonly allowed by member states. However, each state's laws governing exemptions are different. Not all of the reasons listed may be valid exemptions in the state in which you are claiming exemption. In addition, each state has other exemptions that may not be listed on this form. To determine what sales and use tax exemptions are allowed in a particular state refer to the state's web site or other information available relating to that state's exemptions.

Seller: You are required to maintain proper records of exempt transactions and provide those records, to Member states of the SST Governing Board, Inc., when requested. These certificates may be provided in paper or electronic format. Exemption certificates must be made available to Member states in the form it is maintained.

You are relieved of the responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided you with this exemption certificate, even if it is ultimately determined that the purchaser improperly claimed an exemption, provided all of the following conditions are met:

1. All fields on the exemption certificate are completed by the purchaser;
2. The fully completed exemption certificate is provided to you at the time of sale;
3. The purchaser claims an entity-based exemption on a purchase made at a seller's location in a state that allows the exemption;
4. If a business purchaser claims a multiple points of use exemption reason code, the items being purchased are not tangible personal property other than computer software;
5. You do not fraudulently fail to collect the tax due; and
6. You do not solicit customers to unlawfully claim an exemption.

Reasons for Exemption - Additional Information for South Dakota Exemptions

A. Federal Government must indicate the agency name on the certificate.

B. State and local agencies include public or municipal corporations of the State of South Dakota; municipal or volunteer fire or ambulance departments; public schools, including K-12, universities, and technical institutes that are supported by the State of South Dakota; or public or municipal corporations of South Dakota.

Government entities must provide an exemption certificate to the vendor or the vendor must keep documentation to show the purchase was paid from government funds. Documentation may include a purchase order or a check stub. Government entities are not required to list an exemption number on the exemption certificate. Agencies that have exemption numbers should include that number on the certificate section 3, Line C. If they do not have a tax ID, enter their FEIN in Section 3, Line D. ***Purchases made by an employee who is reimbursed by government funds are taxable.***

C. Tribal Government must indicate the agency name on the certificate. Enter FEIN in Section 3, line D.

D. Foreign diplomats will have a card that contains their identification and information about the extent of their tax exemption. If the official qualifies for the exemption, write the individual tax exemption number from the card on the exemption certificate, Section 3, Line F.

E. Charitable organizations include non-profit hospitals and relief agencies. Relief agencies must have a permit from the Department of Revenue & Regulation. Enter tax ID number in Section 3, line C.

F. Religious and private schools must have a permit from the Department of Revenue & Regulation. Enter tax ID number in section 3 line C. ***Churches are NOT exempt from South Dakota sales or use tax.***

Employee Purchases - The exemption from sales and use tax for the above agencies does not extend to the purchase of products or services for the personal use of officials, members, or employees of such institutions. The exempt entity must pay the vendor from the exempt entity's funds. Payment may be made by the exempt entity's check or credit card.

G. Resale or Re-lease – **South Dakota tax permits that contain the letters "UT" or "ET" cannot purchase products for resale.** Enter tax ID number in section 3, line C.

H. Agricultural Products - Purchasers of products and services that are exempt when used exclusively by the purchaser for agricultural purposes must complete an exemption certificate if there is doubt as to the intended usage. **Repair, Repair Parts, and Maintenance Items and Services Tax Exemption** – Maintenance items, services and repairs, including parts, for farm machinery, farm machinery attachments units and irrigation equipment used primarily for agricultural purposes are exempt from sales and use tax. Exempt parts must replace a farm machinery, farm machinery attachment unit, or irrigation equipment part that has a specific or generic part number assigned to it by the farm implement manufacturer. **List the product or service that is being purchased exempt from tax.** South Dakota does not require a tax ID number when purchasing exempt agricultural products or services for Agricultural use. Purchasers from states other than SD should provide their FEIN (line D) or Drivers License (line E).

I. Industrial product/manufacturing – South Dakota does not exempt Industrial or manufacturing equipment.

J. Direct Payment Permit - The direct payment permit holder may purchase products without sales tax and remits use tax directly to the state. Enter tax ID number in section 3, line C.

K. Multiple Point of Use - A purchaser that knows at the time of purchase that the product will be concurrently available for use in more than one jurisdiction may purchase those items without tax and is then responsible for remitting use tax to each jurisdiction where the product is used. Enter tax ID number in section 3, line C.

L. Direct Mail – A purchaser of direct mail may provide the seller a direct mail form. The purchaser is responsible for remitting use tax. Enter Tax ID number in section 3, line C.

M. Other - Must include a clear and concise explanation of the reason for the exemption claimed.

For additional information please review the Exemption Certificate Tax Facts available at www.state.sd.us/drr or by calling 1-800-829-9188.