



STEC-B
Rev. 3/15/04

Sales and Use Tax Blanket Exemption Certificate

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:

Name of vendor where purchase is being made

(vendor's name)

and certifies that the claim is based upon the purchaser's proposed use of the items or services, the activity of the purchase, or both, as shown hereon:

Tax exempt under Internal Revenue Code section 501(c)(3)
Identification number is 45-6002491

Purchaser must state a valid reason for claiming exception or exemption.

University of North Dakota

Purchaser's name

264 Centennial Drive Stop 8356

Street address

Grand Forks ND 58202-8356

City, state, ZIP code

Signature (in ink)

your title

Signature

Title

today's date

Date signed

if the vendor has a #, type that here

Vendor's license number, if any

Vendors of motor vehicles, titled watercraft and titled outboard motors may use this certificate to purchase these items under the "resale" exception. Otherwise, purchaser must comply with either rule 5703-9-10 or 5703-9-25 of the Administrative Code.

This certificate cannot be used by construction contractors to purchase material for incorporation into real property under an exempt construction contract. Construction contractors must comply with rule 5703-9-14 of the Administrative Code.

Sales tax must be charged on all retail sales unless the purchaser provides a properly completed exemption certificate stating the statutory reason for claiming exemption. The vendor must retain the certificate as proof of nontaxable sales. Exemption certificates are prescribed by the Tax Commissioner and can be obtained from a local printer or office supply store. Sample forms are available on our Web site by searching [Tax Forms](#).

Exemption certificates are not needed when the item sold is never taxable, such as prescription drugs and food sold for off-premises consumption. Certificates are not needed when the purchaser is clearly identified on the invoice as an entity that is always exempt, such as the federal government, the State of Ohio, or any local government of this state.

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39. How do I obtain a sales tax exemption number?

The State of Ohio does not issue a sales tax exemption number. A vendor's license number is **NOT** a sales tax exemption number. To claim exemption, you must provide a properly completed exemption certificate to your supplier.

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40. As a farmer, may I claim exemption on my purchases and how?

Farmers are entitled to claim exemption on the purchase of items of tangible personal property used **directly in the production of a product for sale**. This would include, but is not limited to: seeds, fertilizers, insecticides, pesticides, field tiles, tractors, plows, combines, and specially designed motor vehicles with PTO applicator units that travel from farm to farm to apply chemicals and fertilizers. This would **not** include: almost all motor vehicles licensed to operate on the highway [passenger cars; pick-up trucks; larger trucks and trailers that are primarily used to haul people, animals, raw materials (seeds, fertilizers, insecticides and pesticides) to the farm and finished goods (corn, wheat, soy beans, cattle, hogs, etc.) from the farm to market], lawn mowers, weed eaters, items used to maintain set-a-side fields, chain saws, all purposes vehicles that are primarily used for recreation, and home garden equipment.

To claim exemption, a properly completed exemption certificate must be given to your supplier; the certificate is available by searching [Tax Forms](#).

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41. What sales are exempt/excepted from sales tax?

- Copyrighted motion picture films for exhibition purposes unless solely used for advertising. The rental or sale of films or tapes to individuals is taxable.
- The refundable deposit paid on returnable beverage containers, cartons, and cases.
- Food for human consumption off the premises where sold (food does not include alcoholic beverages, dietary supplements, soft drinks, or tobacco).
- Food sold to students in a dormitory, school cafeteria, fraternity or sorority house.
- Food served without charge to employees as part of their compensation.
- Items purchased with food stamps.
- Newspapers (including community newspapers and national newspapers, such as the Wall Street Journal, USA Today, and other unbound publications.).
- Magazine subscriptions.
- Sales by churches and nonprofit charitable organizations (excluding sales of motor vehicles, titled watercraft, titled outboard motors, off-highway motorcycles, all-purpose vehicles and personal watercraft) not exceeding six days in any calendar year.
- Sales to nonprofit organizations operated exclusively in Ohio for certain charitable purposes as defined in sales tax law as follows: "Charitable purposes" means the relief of poverty; the improvement of health through the alleviation of illness, disease, or injury; the operation of an organization exclusively for the provision of professional, laundry, printing, and purchasing services to hospitals or charitable institutions; the operation of a home for the aged, as defined in section 5701.13 of the Ohio Revised Code; the operation of a radio or television broadcasting station that is licensed by the federal communications commission as a noncommercial educational radio or television station; the operation of a nonprofit animal adoption service or a county humane society; the promotion of education by an institution of learning that maintains a

faculty of qualified instructors, teaches regular continuous courses of study, and confers a recognized diploma upon completion of a specific curriculum; the operation of a parent teacher association, booster group, or similar organization primarily engaged in the promotion and support of the curricular or extracurricular activities of a primary or secondary school; the operation of a community or area center in which presentations in music, dramatics, the arts, and related fields are made in order to foster public interest and education therein; the production of performances in music, dramatics, and the arts; or the promotion of education by an organization engaged in carrying on research in, or the dissemination of, scientific and technological knowledge and information primarily for the public.

- Sales to churches.
- Sales to organizations that have been granted and have maintained 501(c)(3) status by the Internal Revenue Service.
- Sales of personal computers, computer monitors, computer keyboards, modems, and other peripheral computer equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students.
- Sales to a veterans' organization state headquarters.
- Sales of animals by nonprofit animal shelters and county humane societies.
- Sales to U.S. government agencies.
- Sales to the State of Ohio or any of its political subdivisions.
- Sales to other states and their political subdivisions if they exempt sales to the State of Ohio and any of its political subdivisions.
- Casual sales except sales of motor vehicles, boats and outboard motors that are required to be titled, snowmobiles, documented boats, all-purpose vehicles, off-highway motorcycles and personal watercraft.
- Transportation of property.
- Motor vehicles sold in Ohio to nonresidents for immediate removal and titling outside the state.
- Drugs that are or are intended to be distributed free of charge to a practitioner licensed to prescribe, dispense, and administer drugs to a human being in the course of a professional practice and that by law may be dispensed only by or upon the order of such a practitioner.
- Motor vehicle fuel that is subject to the state motor fuel tax.
- Motor vehicles and parts used for transporting tangible personal property by persons engaged in highway transportation for hire.
- Emergency and fire protection vehicles and equipment used by nonprofit organizations in providing emergency and fire-protection services for political subdivisions.
- Sales of used manufactured homes and used mobile homes, as defined in section 5739.0210 of the Ohio Revised Code, made on or after Jan. 1, 2000;
- Sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; and tangible personal property and services used in the repair and maintenance of the production, transmission, or distribution system, including only those motor vehicles as are specially designed and equipped for such use. The exemption provided in this division shall be in lieu of all other exemptions in division (B)(42)(a) of section 5739.02 of the Revised Code to which a provider of electricity may otherwise be entitled based on the use of the tangible personal property or service purchased in generating, transmitting, or distributing electricity.
- Sales to a professional racing team of any of the following:
 - Motor racing vehicles;
 - Repair services of motor racing vehicles;
- Items of property that are attached to or incorporated in motor racing vehicles, including engines, chassis, and all other components of the vehicles, and all spare, replacement, and rebuilt parts or components of the vehicles; except not including tires, consumable fluids, paint, and accessories consisting of instrumentation sensors and related items added to the vehicle to collect and transmit data by means of telemetry and other forms of communication.
- Things used or consumed primarily in storing, transporting, mailing or otherwise handling purchased sales inventory in a warehouse, distribution center or similar facility when the inventory is primarily distributed outside this state to retail stores of the person who owns or controls the warehouse, distribution center, or similar facility.
- Things used or consumed by a warrantor in fulfilling a warranty on tangible personal property.

- Sales of drugs for a human being, dispensed pursuant to a prescription; insulin as recognized in the official United States pharmacopoeia; urine and blood testing materials when used by diabetics or persons with hypoglycemia to test for glucose or acetone; hypodermic syringes and needles when used by diabetics for insulin injections; hospital beds when purchased by hospitals, nursing homes and other medical facilities; and medical oxygen-dispensing equipment.
- The purchase of durable medical equipment for home use, or mobility enhancing equipment, when made pursuant to a prescription and when such devices or equipment are for use by a human being.
- Tangible personal property used in air, noise or water pollution control facilities by holders of pollution control certificates.
- Tangible personal property to be resold in the form received.
- Tangible personal property used or consumed in commercial fishing.
- Gas, water, steam, and electricity delivered through pipes, conduits, or wires and sold by a public utility.
- Bulk water for residential use.
- Tangible personal property incorporated into an energy conversion facility, solid waste energy conversion facility, or a thermal efficiency improvement facility by holders of the appropriate certificate.
- Telecommunications service to call centers. (No longer an exemption of the sale of 800, WATS, or private communications services).
- Sales of property for used directly in agricultural production.
- Property used in the preparation of eggs for sale.
- Sale and installation of agricultural land tile.
- Sale and construction of portable grain bins to farmers.
- Sales to persons licensed to conduct a food service operation of tangible personal property primarily used directly: to prepare food for human consumption for sale; to preserve food which has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for selection by the consumer; and to clean tangible personal property used to prepare or serve food for human consumption for sale.
- Ships or vessels or rail rolling stock used in interstate or foreign commerce and material used for repairing, altering, or propelling them.
- Material, machinery, equipment and other items used in packaging property for sale by a manufacturer or retailer.
- Building and construction material sold to contractors for incorporation into real property of federal, state, or local governments; religious and charitable institutions; a sports facility under section 307.696 of the Ohio Revised Code; or outside this state if exempt by that state.
- Building and construction materials sold to construction contractors or persons engaged in the business of horticulture or producing livestock for incorporation into a horticulture or livestock structure.
- Building materials and services sold to a construction contractor for incorporation into a building under a construction contract with an organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code of 1986 when the building is to be used exclusively for the organization's exempt purposes.
- Property manufactured in Ohio and immediately shipped outside the state for use in the retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer.
- Material incorporated as part of tangible personal property produced for sale by manufacturing, assembling, processing, or refining.
- Tangible personal property used or consumed in a manufacturing operation.
- Sales where the purpose of the consumer is to use or consume the things transferred in making retail sales and consisting of newspaper inserts, catalogues, coupons, flyers, gift certificates, or other advertising material which prices and describes tangible personal property offered for retail sale.
- Sales to direct marketing vendors of preliminary materials such as photographs, artwork, and typesetting that will be used in printing advertising material; of printed matter that offers free merchandise or chances to win sweepstakes prizes and that is mailed to potential customers with advertising material described in section 5739.02 (B)(35)(a) of the Ohio Revised Code; and of equipment such as telephones, computers, facsimile machines, and similar tangible personal property primarily used to accept orders for direct marketing retail sales.
- To use tangible personal property to perform a service listed in division (B)(3) of section 5739.01 of the Ohio Revised Code (repair; installation; towing, washing, cleaning, waxing, polishing or painting motor vehicles; transportation of persons, within Ohio, except by public transit systems or commercial airlines; laundry and dry cleaning (except coin operated); automatic data processing, computer service and electronic information service; telecommunications; satellite broadcasting

service (audio and video); landscaping and lawn care; snow removal; private investigation and security; 1-900 information; personal care service, including skin care, application of cosmetics, manicures, pedicures, hair removal, tattoos, body piercing, tanning, massage and other similar services (not including hair care such as cutting, coloring, and styling); building maintenance and janitorial; employment; employment placement; exterminating; physical fitness facility; recreation and sports club) if the property is or is to be permanently transferred to the consumer of the service as an integral part of the performance of the service.

- Parts and services used in repairing and maintaining aircraft with fractional share ownership (private aircraft whose ownership is shared by a group of people).
- "Direct use" exemptions:
 - Material used or consumed directly in mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas. Motor vehicles titled and registered to operate on the highways generally do not qualify for exemption.
 - Tangible personal property used directly in rendering a public utility service.
 - Tangible personal property used or consumed in the preparation for sale of printed material.
 - Sales to organizations described in division (D) of section 5709.12 of the Ohio Revised Code.

Note: This list of exemptions is merely an abbreviation of the law. The statutes and rules concerning sales tax exemptions are very long and complicated. Also there are hundreds of court decisions which affect the application of these exemptions. If you have any questions regarding a particular situation, please contact the Department of Taxation.

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42. Are there any items which can be eaten or drunk that are not considered food?

Yes, soft drinks, alcoholic beverages, dietary supplements, and tobacco. Beverages that do qualify as food include milk or milk products, soy, rice, or similar milk substitutes, or items that contain greater than 50-percent vegetable or fruit juice by volume.

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43. What are my responsibilities when selling alcoholic beverages?

Aside from collecting sales tax on all sales of alcoholic beverages, you must also possess a liquor permit granted by the Division of Liquor Control. You must obtain a vendor's license in the same name as that appearing on the liquor permit. However, if you are selling alcoholic beverages under a liquor permit owned by another vendor while trying to get the permit transferred, you must report all of your sales and tax activity under the vendor's license held by the liquor permit holder. Once the liquor permit transfers to your name, you should begin reporting sales and tax activity under your vendor's license number.

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44. Can my liquor permit be transferred if sales/withholding tax is owed?

If you intend to transfer your liquor permit, Ohio law requires the Department of Taxation to review your account for any delinquent or unpaid sales or withholding tax returns, unpaid assessments, or any other discrepancies that may exist. After any problems are resolved, the Tax Commissioner will recommend to the Division of Liquor Control to proceed with the transfer.

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45. Can my liquor permit be renewed if I owe sales/withholding tax?

Liquor permits must be renewed annually. The department must review all permits eligible for renewal for sales/withholding tax discrepancies. Upon resolution of any problems, the Department of Taxation will recommend to the Division of Liquor Control that your permit be renewed.

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46. What is successor liability?

Generally, the applicable use tax rate for all taxable sales on which no tax was paid to the vendor is based on the location of the purchaser.

Exemptions and Exceptions

(R.C. 5709.25, 5739.01, 5739.011, 5739.02, 5741.02, 6121.16, 6123.041)

The sales and use tax does not apply to:

- copyrighted motion picture films unless solely used for advertising;
- service transactions in which tangible personal property is an inconsequential element for which no separate charge is made except for the services that are specifically taxable (see **Tax Base**);
- the value of motor vehicles traded in on new motor vehicles sold by licensed new motor vehicle dealers;
- tangible personal property or the benefit of a taxable service to be resold in the form received;
- the refundable deposit paid on returnable beverage containers, cartons, and cases;
- tangible personal property used or consumed in commercial fishing;
- sales to U.S. government agencies;
- sales to the state or any of its political subdivisions;
- food for human consumption off the premises where sold;
- food sold to students in a dormitory, cafeteria, fraternity, or sorority;
- newspapers;
- magazine subscriptions or magazines distributed as controlled circulation publications;
- motor vehicle fuel subject to the state motor fuel excise tax;
- gas, water, and steam delivered through pipes or conduits by a utility company and electricity delivered through wires;
- communications services provided by telegraph companies;
- casual sales except for motor vehicles, titled watercraft and outboard motors, snowmobiles, and all-purpose vehicles;
- sales by churches and nonprofit organizations (excluding motor vehicles) provided that the number of sales does not exceed six days each year;
- transportation of persons or property, except the transportation of persons specifically taxed as a service;
- sales to churches, nonprofit organizations included under Internal Revenue Code (I.R.C.) 501(c)(3), nonprofit scientific research organizations, and to other nonprofit charitable organizations;
- sales to nonprofit hospitals and to those privately-held homes for the aged and hospital facilities that are financed with public hospital bonds;
- building and construction material sold to contractors for incorporation into real property constructed for federal, state, or local governments; for religious and certain other nonprofit charitable institutions; for horticulture and livestock structures; and for other specified organizations and industries;
- ships and rail rolling stock used in interstate or foreign commerce and material used for repair, alteration, or propelling such vessels;
- material, machinery, equipment, and other items used in packaging property to be sold at retail;
- all drugs for a human being dispensed pursuant to a prescription; urine and blood testing materials used by diabetics or persons with hypoglycemia; medical oxygen and medical oxygen equipment for personal use; hospital beds for personal use; and epoetin alfa for persons with a medical disease;
- prosthetic devices, durable medical equipment for home use, or mobility enhancing equipment sold pursuant to a prescription for use by a human being;
- emergency and fire protection vehicles used exclusively by nonprofit organizations in providing emergency and fire protection services for political subdivisions;
- sales to nonprofit community centers and to producers offering presentations in music, dramatics, the arts, and related fields to foster public interest and education;
- motor vehicles sold in Ohio to nonresidents for titling and use in any other state (or, after Aug. 1, 2007, most other states; for details, see information release ST 2007-04 – “Sales and Use Tax: Sales of Motor Vehicles to Nonresidents of Ohio,” issued in August 2007);
- property used in the preparation of eggs for sale;
- sales of property for use in agricultural production;
- property manufactured in Ohio and immediately shipped outside the state for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer;
- sales to non-commercial, educational broadcasting stations;
- sales of animals by nonprofit animal shelters and county humane societies;
- items used in preserving, preparing, or serving food, or material used in maintaining or cleaning these items in a commercial food service operation;
- tangible personal property used in air, noise, or water pollution control facilities or in energy conversion, solid waste energy conversion, or thermal efficiency improvement facilities, by holders of exempt facility certificates issued by the Tax Commissioner;
- bulk water for residential use;
- sales of equipment used in qualified research and development;
- sales and installation of agricultural land tile and the sale and installation of portable grain bins to farmers;
- fees paid for the inspection of emission control equipment on motor vehicles;
- sales, leases, repairs, and maintenance of motor vehicles used primarily in providing highway transportation for hire;