

MEMORANDUM

To: Christy Vandevender, Chair, Nexus Committee

From: Richard Cram

Date: November 16, 2020

Re: Update to Uniform Sales & Use Tax Resale Certificate—Multijurisdiction

The Uniform Sales & Use Tax Exemption Certificate, downloadable from the MTC website, has been very popular with multistate sellers for many years. The purpose of the form is to enable a seller (retailer, wholesaler, manufacturer) registered in one state to claim the resale or ingredient/component part exemption when purchasing inventory from a supplier located in another state that the seller may not be registered in, due to lack of nexus. The form can also be used by a seller registered in multiple states to claim the resale or ingredient/component part exemption on a multistate basis, without the necessity of completing the separate resale exemption certificate form for each state that the seller is registered in. The seller simply enters the registration numbers for the states that it is registered in on the form. The states that honor this form are listed on it, along with any qualifications for use of the form in that state, which are shown in footnotes. The form includes instructions, as well as a list of Frequently Asked Questions.

The form has not been updated to reflect the *Wayfair* decision, which overruled the *Quill* physical presence nexus rule and ushered in the sales tax economic nexus era. Most states imposing sales tax have now enacted sales tax economic nexus laws, greatly expanding the population of multistate sellers that have nexus. Multistate sellers that have exceeded states' economic nexus thresholds should be registered in those states. However, multistate sellers whose sales or transactions volume remains below a state's economic nexus threshold and do not have physical presence would not have nexus and would not need to be registered in that state. For those sellers wanting to claim the resale exemption when purchasing inventory from suppliers in states they are not registered in and they do not have nexus in, the Uniform Sales & Use Tax Exemption Certificate remains very useful.

A draft of the Uniform Sales & Use Tax Exemption Certificate has been updated and revised to reflect sales tax economic nexus in the post-*Wayfair* environment. This draft has been circulated to the states listed on the form as honoring it, in order to confirm

that they want to continue to be listed on the form, and also to provide an opportunity for each state to make revisions to the footnote pertaining to that state. Attached is the draft revised form (revisions showing in different colored type or with strikethroughs), including any suggested changes received from responding states. A few states have not yet responded. Any additional responses received will be incorporated into the draft. For those states not responding, it will be assumed that they will not continue to accept the revised form and want to be removed from it.

Please submit any further suggested changes to the draft form not later than November 30, 2020. The revised form will then be finalized and published on the MTC website, based on responses received as of that date.

**UNIFORM SALES & USE TAX ~~RESALE EXEMPTION/RESALE~~ CERTIFICATE —
MULTIJURISDICTION**

The below-listed states have indicated that this certificate is acceptable as a resale /exemption certificate for sales/~~and~~ use tax, subject to the instructions and notes on pages 2–4. The issuing ~~of~~ Buyer and the recipient Seller have the responsibility to determine the proper use of this certificate under applicable laws in each state, as these may change from time to time.

Issued to Seller: _____

Address: _____

I certify that:
Name of Firm (Buyer): _____
Address: _____

- is engaged or is registered as a:
- Wholesaler
 - Retailer
 - Manufacturer
 - Seller (~~California~~)
 - Lessor (see notes on pages 2–4)
 - Other (Specify) _____

and is registered for sales/use tax with the below-listed states and cities within which Seller ~~your firm~~ would deliver purchases to Buyer ~~us~~ and that any such purchases are for wholesale, resale, or ingredients or components of a new product or service to be resold, leased, or rented in the normal course of business. Buyer is ~~We are~~ in the business of wholesaling, retailing, manufacturing, leasing (renting) selling (~~California~~) the following:

Description of Business: _____

General description of tangible property or taxable services to be purchased from the Seller: _____

State	State Registration, Seller's Permit, or ID Number of Purchaser	State	State Registration, Seller's Permit, or ID Number of Purchaser
AL ¹		MO ¹⁶	
AR		NE	
AZ ²		NV	
CA ³		NJ	
CO ^{4, 4.5}		NM ^{4, 17}	
CT ⁵		NC ¹⁸	
FL ⁶		ND	
GA ⁷		OH ¹⁹	
HI ^{4, 8}		OK ²⁰	
ID ^{8, 5}		PA ²¹	
IL ^{4, 9}		RI ²²	
IA		SC	
KS ^{9, 5}		SD ²³	
KY ¹⁰		TN ^{23, 5}	
ME ¹¹		TX ²⁴	
MD ¹²		UT	
MI ¹³		VT ^{24, 5}	
MN ¹⁴		WA ²⁵	
		WI ²⁶	

I further certify that if any property or service so purchased tax-free is used or consumed by Buyer so as to make it subject to sales/use tax, a ~~Sales or Use Tax~~ we Buyer will pay the tax due directly to the proper taxing authority when state law so provides or inform the Seller for added tax billing. This certificate shall be a part of each order that Buyer we may hereafter give to Seller you, unless otherwise specified, and shall be valid until canceled by Buyer us in writing or revoked by the e city or state.

Under penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: _____
(Owner, Partner, or Corporate Officer, or other authorized signer of Buyer)

Title: _____
Date: _____

INSTRUCTIONS REGARDING UNIFORM SALES & USE TAX EXEMPTION CERTIFICATE

To Seller's Customers:

In order to comply with ~~most~~ state and local sales tax law requirements, the Seller must have in its files a properly ~~completed~~~~executed~~ resale exemption certificate from all of its customers (Buyers) who claim a sales/use tax exemption. If the Seller does not have this certificate, it is obliged to collect the tax for the state in which the property or service is delivered.

Generally, a Buyer must be registered as a retailer for sales/use tax in states where the Buyer has sales/use tax nexus. The sales/use tax registration number(s) should be entered on this certificate. A Buyer has sales/use tax nexus in a state if the Buyer has physical presence in that state or has made sufficient sales to customers in that state to have sales/use tax economic nexus. The threshold of sales activity needed to establish sales/use tax economic nexus may differ by state. If the Buyer is entitled to claim a resale sales tax exemption ~~or exclusion~~, the Buyer should complete the certificate and send it to the Seller at the time of purchase or as soon thereafter as possible ~~its earliest convenience~~. If the Buyer purchases tax-free for a reason other than resale, ingredient or component exemption ~~for which this form does not provide~~, the Buyer cannot use this form and must provide to ~~should send~~ the Seller the proper state exemption certificate for that specific exemption ~~its special certificate or statement~~.

Caution to Seller:

~~In order for the certificate to be accepted in good faith by the Seller, Seller must exercise care that the property or service being sold is of a type normally sold wholesale, resold, leased, rented, or incorporated as an ingredient or component of a product manufactured by Buyer and then resold in the usual course of its business. A Seller failing to exercise care could be held liable for the sales/use tax due in some states or cities.~~ Misuse of this certificate by Buyer, Seller, lessor, lessee, or the representative thereof may be punishable by fine, imprisonment or loss of right to issue ~~or accept~~ a certificate in some states or cities.

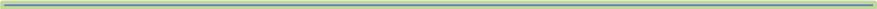
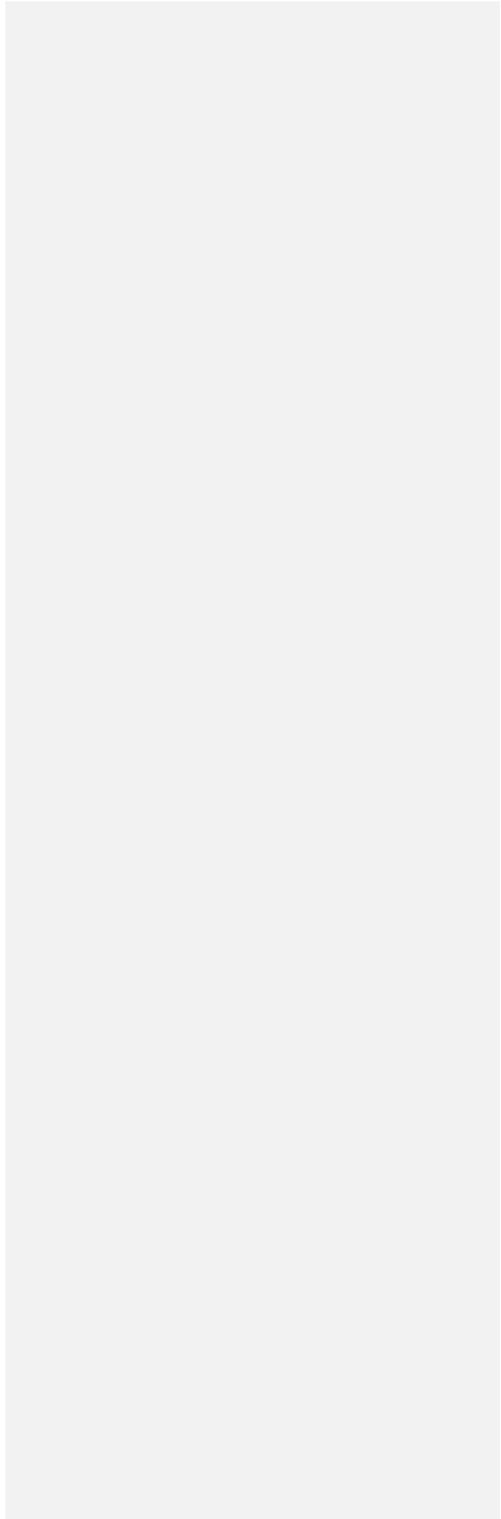
Notes:

1. Alabama: Each retailer shall be responsible for determining the validity of a purchaser's claim for exemption.
2. Arizona: This certificate may be used only when making purchases of tangible personal property for resale in the ordinary course of business, and not for any other statutory deduction or exemption. It is valid as a resale certificate only if it contains the purchaser's name, address, signature, and Arizona transaction privilege tax (or other state sales tax) license number, as required by Arizona Revised Statutes § 42-5022, *Burden of proving sales not at retail*.
3. California:
 - a) This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Title 18, California Code of Regulations, Section 1668 (Sales and Use Tax Regulation 1668, Resale Certificate).
 - b) By use of this certificate, the purchaser certifies that the property is purchased for resale in the regular course of business in the form of tangible personal property, which includes property incorporated as an ingredient or component of an item manufactured for resale in the regular course of business.
 - c) When the applicable tax would be sales tax, it is the Seller who owes that tax unless the Seller takes a timely and valid resale certificate in good faith.
 - d) A valid resale certificate is effective until the issuer revokes the certificate.
4. Colorado, Hawaii, Illinois, and New Mexico: these states do not permit the use of this certificate to claim a resale exemption for the purchase of a taxable service for resale.
- 4.5 Colorado: Sellers should review 1 Code Colo. Regs. 201-1, Rule 39-26-105-3 (Documenting Exempt Sales) prior to accepting this form. The Colorado Department of Revenue collects and administers the state sales and use taxes and the sales and use taxes of certain cities, counties, and special districts (see department publication DR 1002). Use of this form (along with the other documentation required by department rule) is acceptable for taxes administered by the Colorado Department of Revenue. This form may not be accepted by self-collecting Colorado home-rule cities. Sellers are advised to contact those cities directly for further instruction.
5. Connecticut: This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to Conn. Gen. State §§12-410(5) and 12-411(14) and regulations and administrative pronouncements pertaining to resale certificates.
6. Florida: Allows the Multistate Tax Commission's Uniform Sales and Use Tax ~~Exemption~~/Resale Certificate – Multijurisdictional for tax-exempt purchases for resale; however, the selling dealer must also obtain a resale authorization number from the Florida Department of Revenue at floridarevenue.com/taxes/certificates, or by calling 877-357-3725, and entering the purchaser's

Commented [JDP1]: Note to Drafter: Flagging the additions proposed by Colorado.

Florida *Annual Resale Certificate* number.

7. Georgia: a) The purchaser's state-of-registration number will be accepted in lieu of Georgia's registration number when the purchaser is located outside Georgia, does not have nexus with Georgia, and the tangible personal property is delivered by drop shipment to the purchaser's customer located in Georgia.
- b) The certificate relieves the seller from the burden of proof on sales for resale if the seller acquires from the purchaser a properly completed certificate, taken in good faith, from a purchaser who:
- (i) Is engaged in the business of selling tangible personal property;
 - (ii) Has a valid sales tax registration number at the time of purchase and has listed his or her sales tax number on the certificate; and
 - (iii) At the time of purchasing the tangible personal property, the seller has no reason to believe that the purchaser does not intend to resell it in his or her regular course of business.



8. Hawaii: allows this certificate to be used by the seller to claim a lower general excise tax rate or no general excise tax, rather than the buyer claiming an exemption. The no tax situation occurs when the purchaser of imported goods certifies to the seller, who originally imported the goods into Hawaii, that the purchaser will resell the imported goods at wholesale. If the lower rate or no-tax does not in fact apply to the sale, the purchaser is liable to pay the seller the additional tax imposed. See Hawaii Dept. of Taxation Tax Information Release No. 93-5, November 10, 1993, and Tax Information Release No. 98-8, October 30, 1998.

8.5 Idaho: **This certificate may be used only when making purchases of tangible personal property for resale in the ordinary course of business, and not for any other statutory deduction or exemption. It is valid as a resale certificate only if it complies with Rule 128 of the Idaho Administrative Rules for Sales Tax (IDAPA 35.01.02.128).**

9. Illinois: Use of this certificate in Illinois is subject to the provisions of 86 Ill. Adm. Code Ch.I, Sec. 130.1405 (Seller's Responsibility to Obtain Certificates of Resale and Requirements for Certificates of Resale). Illinois does not have an exemption for sales of property for subsequent lease or rental, except as follows: (i) a motor vehicle that is used for automobile renting subject to the Automobile Renting Occupation and Use Tax Act (35 ILCS 120/2-5(7)) and (ii) merchandise that the purchaser certifies is purchased to be rented subject to the Rental Purchase Agreement Occupation and Use Tax Act (35 ILCS 120/2-5(43)). Buyers purchasing items for lease or rental that meet either of these two exceptions should not use this Uniform Sales and Use Tax Resale Certificate, but instead must provide to Sellers proof of registration for the Automobile Renting Occupation and Use Tax or the Rental Purchase Agreement Occupation and Use Tax, as appropriate, and, in the case of the Rental Purchase Agreement Occupation and Use Tax, should use Form ST-261 (Exemption Certificate for Property Subject to Rental Purchase Agreement Tax). ~~The use of this certificate for claiming resale purchases of services does not have any application in Illinois.~~

The registration number to be supplied next to Illinois on page 1 of this certificate must be the Illinois registration or resale number; no other state's registration number is acceptable.

"Good faith" is not the standard of care to be exercised by a retailer in Illinois. A retailer in Illinois is not required to determine whether the purchaser actually intends to resell the item. Instead, a retailer must confirm that the purchaser has a valid registration or resale number at the time of purchase. If a purchaser fails to provide a certificate of resale at the time of sale in Illinois, the seller must charge the purchaser tax.

While there is no statutory requirement that blanket certificates of resale be renewed at certain intervals, blanket certificates should be updated periodically, and no less frequently than every three years.

9.5 Kansas: Purchasers must enter a valid Kansas Registration Number issued by the Kansas Department of Revenue. Exemption certificates must be obtained from the purchaser at the time of the sale, but no later than 90 days subsequent to the date of sale;

This Exemption Certificate may only be used as a resale exemption certificate or ingredient or component part exemption certificate;

This Exemption Certificate may not be used by contractors to purchase materials without sales tax;

This Exemption Certificate may not be used by Manufacturing Companies to purchase machinery and equipment without sales tax. See, Kansas Certificate ST-201; and,

This Exemption Certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.

10. Kentucky: a) Kentucky does not permit the use of this certificate to claim a resale exclusion for the purchase of a ~~taxable service admissions~~.
b) This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Kentucky Revised Statute 139.270 (~~Good Faith~~).
c) The use of this certificate by the purchaser constitutes the issuance of a blanket certificate in accordance with Kentucky Administrative Regulation 103 KAR 31:111.

11. Maine: This state does not have an exemption for sales of property for subsequent lease or rental. This certificate is not valid for use by manufacturers purchasing tangible personal property that becomes an ingredient or component part of a product manufactured by

the manufacturer. Please use Maine's Industrial Users Exemption Certificate (ST-A-117).

12. Maryland: This certificate is not valid as an exemption certificate. Its use is limited to use as a resale certificate subject to the provisions of Md Tax – Gen §11-408(b). All claims for the resale exclusion, even those made with this certificate, must include the Buyer's Maryland sales and use tax registration number. Certificates without a Maryland sales and use tax registration number will not be honored by the State. However, in lieu of a sales and use tax registration number, sellers may accept resale certificates that bear the exemption number issued to a religious organization. Exemption certificates issued to religious organizations consist of 8 digits, the first two of which are always "29". Maryland sales and use tax registration numbers, exemptions, and direct pay numbers may be verified on the website of the Comptroller of the Treasury at www.marylandtaxes.gov.

13. Michigan: This certificate is effective for a period of four years unless a lesser period is mutually agreed to and stated on this certificate. It covers all exempt transfers when accepted by the seller in "good faith" as defined by Michigan statute. Blanket certificates are effective for a period of four years unless a lesser period is mutually agreed to and stated on this certificate. A seller who receives and maintains a record of a properly completed certificate is not generally liable for sales or use tax on the transaction, even if a purchaser improperly claims an exemption. There are certain limited situations in which a seller can be liable for the tax, such as those involving fraud on the part of the seller. For more information, see Revenue Administrative Bulletin (RAB) 2016-14.

14. Minnesota: a) ~~Minnesota does not allow a resale certificate for purchases of taxable services for resale in most situations.~~
b) ~~Minnesota allows an exemption for items used only once during production and not used again.~~

- Purchaser's Minnesota tax identification number should be inserted into the row labeled "MN" in the state chart on page 1. If purchaser does not have a Minnesota tax identification number, the following are acceptable:
 - Purchaser's tax identification number issued by a state other than Minnesota and the name of the state;
 - Purchaser's federal Employer Identification Number.
 - The number of Purchaser's valid state-issued driver's license, or a valid state-issued identification number, along with the state of issue.
- Purchaser must identify purchaser's type of business using Minnesota's business-type coding system. Check the correct box near the top of page 1. If you check the box labeled "Other," provide the appropriate Minnesota business code in the space following the "Other" check box. You can find a list of Minnesota business codes on the Minnesota exemption certificate (Form ST3).
- Purchaser must update the certificate data, as necessary, if this certificate is to be used as a blanket exemption certificate for continuing future purchases.

Note that Minnesota allows this certificate to be used to claim a resale exemption only. It does not permit this certificate to be used to claim any other type of exemption. To claim an exemption other than resale, use the Minnesota exemption certificate (Form ST3) or the Streamlined Sales Tax Governing Board exemption certificate (Form F0003).

15. Missouri: a) Purchasers who improperly purchase property or services sales-tax free using this certificate may be required to pay the tax, interest, additions to tax, or penalty.
b) Even if property is delivered outside Missouri, facts and circumstances may subject it to Missouri tax, contrary to the second sentence of the first paragraph of the above instructions.

~~16. Nebraska: A blanket certificate is valid for 3 years from the date of issuance.~~

17. New Mexico: For transactions occurring on or after July 1, 1998, New Mexico will accept this certificate in lieu of a New Mexico nontaxable transaction certificate and as evidence of the deductibility of a sale of tangible personal property provided:

- a) this certificate was not issued by the State of New Mexico;
- b) the buyer is not required to be registered in New Mexico; and
- c) the buyer is purchasing tangible personal property for resale or incorporation as an ingredient or component of a manufactured product.

18. North Carolina: ~~This certificate is not valid as an exemption certificate if signed by a person such as a contractor who intends to~~

use the property. Its use is subject to G.S. 105-164.28 and any administrative rules or directives pertaining to resale certificates.

19. Ohio:
- a) The buyer must specify which one of the reasons for exemption on the certificate applies. This may be done by circling or underlining the appropriate reason or writing it on the form above the state registration section. Failure to specify the exemption reason will, on audit, result in disallowance of the certificate.

- b) In order to be valid, the buyer must sign and deliver the certificate to the seller before or during the period for filing the return. If no certificate is provided or obtained from the buyer at the time of the sale or within ninety days after the date on which such sale is consummated, it shall be presumed that the tax applies.

19. Ohio: a) The buyer must specify which one of the reasons for exemption on the certificate applies. This may be done by circling or underlining the appropriate reason or writing it on the form above the state registration section. Failure to specify the exemption reason will, on audit, result in disallowance of the certificate.
- b) In order to be valid, the buyer must sign and deliver the certificate to the seller before or during the period for filing the return.

20. Oklahoma: Oklahoma would allow this certificate in lieu of a copy of the purchaser's sales tax permit as one of the elements of "properly completed documents" which is one of the three requirements which must be met prior to the vendor being relieved of liability. The other two requirements are that the vendor must have the certificate in his possession within ninety (90) days subsequent to the date of sale, at the time the sale is made and must accept the documentation in good faith. The specific documentation required under OAC 710:65-7-6 is:

Written certification containing the purchaser's name, address, type of business, sales tax permit number, and the signature of the purchaser. OAC 710:65-7-8.

a) Sales tax permit information may consist of:

(i) A copy of the purchaser's sales tax permit; or

(ii) In lieu of a copy of the permit, obtain the following:

* Sales tax permit number; and

* The name and address of the purchaser;

b) A statement that the purchaser is engaged in the business of reselling the articles purchased;

c) A statement that the articles purchased is purchased for resale;

d) The signature of the purchaser or a person authorized to legally bind the purchaser; and

e) Certification on the face of the invoice, bill, or sales slip, or on separate letter, that said purchaser is engaged in reselling the articles purchased.

Absent strict compliance with these requirements, Oklahoma holds a seller liable for sales tax due on sales where the claimed exemption is found to be invalid, for whatever reason, unless the Tax Commission determines that purchaser should be pursued for collection of the tax resulting from improper presentation of a certificate.

21. Pennsylvania: ~~This certificate is not valid as an exemption certificate. It is valid as a resale certificate only if it contains the purchaser's Pennsylvania Sales and Use Tax eight-digit license number, subject to the provisions of 61 PA Code §32.3.~~ This certificate is not valid as an exemption certificate. It is valid as a resale certificate subject to the provisions of 61 PA Code §32.3. The buyer should enter their eight-digit Pennsylvania Sales and Use Tax license number. If the buyer does not have a Pennsylvania Sales and Use Tax license number, they must provide an explanation as to why they are not licensed.

22. Rhode Island: Rhode Island allows this certificate to be used to claim a resale exemption only when the item will be resold in the same form. It does not permit this certificate to be used to claim any other type of exemption.
23. South Dakota: Services which are purchased by a service provider and delivered to a current customer in conjunction with the services contracted to be provided to the customer are claimed to be for resale. Receipts from the sale of a service for resale by the purchaser are not subject to sales tax if the purchaser furnishes a resale certificate which the seller accepts in good faith. In order for the transaction to be a sale for resale, the following conditions must be present:
- (a) The service is purchased for or on behalf of a current customer;
- (b) The purchaser of the service does not use the service in any manner; and
- (c) The service is delivered or resold to the customer without any alteration or change.

- 23.5 Tennessee: Third-Party drop shipment - A seller registered in Tennessee, who sells to an unregistered out-of-state retailer but delivers the product in Tennessee to the retailer's customer who is a consumer, must charge the sales tax on the sale to the out-of-state retailer unless the out of state retailer provides the seller with a resale exemption certificate that includes a Tennessee resale number.

Any tangible personal property or other taxable item or service purchased without the payment of tax upon this resale certificate that is used or consumed in any manner by the buyer, or is given away, must be reported and the tax paid directly to the Tennessee Department of Revenue.

24. Texas: ~~Items purchased for resale must be for resale within the geographical limits of the United States, its territories, and~~

possessions.

24.5 Vermont: The reseller must be registered to collect Vermont sales tax. Vermont allows this certificate to be used to claim a resale exemption for goods only, not component parts to a service. It is not to be used by contractors. Vermont's manufacturing exemption is limited to property consumed in the manufacturing process, used directly and exclusively in the manufacturing process, or packaging or shipping materials for use by a manufacturer or wholesale distributor. Any other uses and the use for any other exemptions is not permitted.

While there is no statutory requirement that blanket certificates of resale be renewed at certain intervals, blanket certificates should be updated periodically, and no less frequently than every three years.

25. Washington: a) ~~Blanket resale certificates must be renewed at intervals not to exceed four years;~~
b) ~~This certificate may be used to document exempt sales of "chemicals to be used in processing an article to be produced for sale."~~
c) Buyer acknowledges that the misuse of the tax due, in addition to the tax, interest, and any other penalties imposed by law. **Buyer acknowledges that in addition to the amount of tax due, the misuse of this form may result in interest and penalties being imposed by law.**
26. Wisconsin: Wisconsin allows this certificate to be used to claim a resale exemption only. It does not permit this certificate to be used to claim any other type of exemption.

Frequently Asked Questions Uniform Sales and Use Tax Certificate – Multijurisdictional

- **To whom do I give this certificate?**
- **Can I register for multiple states simultaneously?**
- **I have received this certificate from my customer. What do I do with it?**
- **Am I the Buyer or the Seller?**
- **What is the purpose of this certificate?**
- **How do I fill out the certificate?**
- **What information goes on the line next to each state abbreviation?**
- **What if I don't have an ID number for any (or some) state(s)?**
- **Who should use this certificate?**
- **Can I use this certificate?**
- **Which states accept the certificate?**
- **I am based in, buying from, or selling into Maine. Can I use this certificate?**
- **I am a drop shipper. Can I use this certificate?**
- **Do I have to fill this certificate out for every purchase?**
- **Can this certificate be used as a blanket certificate?**
- **Who determines whether this certificate will be accepted?**
- **I have been asked to accept this certificate. How do I know whether I should accept it?**
- **Is there a more recent version of this certificate?**
- **To whom should I talk to for more information?**

To whom do I give this certificate?

If you are purchasing goods for resale, you will give this certificate to your vendor, so that your vendor will not charge you sales tax.

If you are selling goods for resale, and you have received this certificate from your buyer, you will keep the certificate on file.

Can I register for multiple states simultaneously?

A buyer must be registered as a retailer for sales/use tax in states where the buyer has sales/use tax nexus in a state. Registration in each state must be done separately with that state. See the state tax agency's website. The Federal Tax Administrators (FTA) maintains a centralized list of links to states agency websites.

<https://taxadmin.memberclicks.net/state-tax-agencies>. The Streamlined Sales Tax Governing Board, Inc. maintains a centralized registration system that can be used to register in states that are members. For more information, see www.streamlinedsalestax.org. ~~Click on the link for more information: www.sstregister.org~~

I have received this certificate from my customer. What do I do with it?

Once you have examined the certificate and you have accepted it ~~in good faith~~, you will keep it on file as prescribed by applicable state laws. The relevant state will generally be the state where you are located, or the state where the sales transaction took place.

Am I the Buyer or the Seller?

If you are purchasing goods for resale, you are the Buyer. If you are selling goods to a buyer who is purchasing them for resale, you are the Seller.

What is the purpose of this certificate?

This certificate is to be used as supporting documentation that the Seller should not collect sales/use tax because the good or service sold ~~or~~ to the Buyer, is exempt from the tax as a sale for resale or as an ~~ingredient or component of a product manufactured by the Buyer and to be resold.~~

How do I fill out the certificate?

The individual filling out the certificate is referred to as the Buyer. The first two lines, “Issued to Seller” and “Address”, should be filled in with the name and address of the Seller. The rest of the information refers to the Buyer (name and address of Buyer, business engaged in, description of business, property or services to be purchased). The line next to each state abbreviation should be filled out with the relevant state ID number.

What information goes on the line next to each state abbreviation?

The line next to each state abbreviation should be filled in with the relevant state ID number. This will be the sales/use tax registration or resale authorization ~~an identification~~ number issued by the state (see next FAQ for an exception). For example, on the line next to AL, provide the sales/use tax registration ID number issued by Alabama. The relevant registration ID number may be given various names in the different ~~various~~ states. Some of the terms for this ID number are State Registration, or Seller’s Permit, ~~or ID~~ Number. Regardless of the name, this will be a number that has been issued by the state to the Buyer (see next FAQ for an exception). This number is generally associated with the reseller’s authority to collect and remit sales/use tax.

What if I don’t have a registration ~~an ID~~ number for any (or some) state(s)?

The states vary in their rules regarding requirements for a reseller exemption. Some states require that the reseller (Buyer) be registered to collect sales tax in the state where the reseller makes its purchase. Other states will accept the certificate if the registration ~~an ID~~ number is provided for some other state (e.g., such as the resident ~~home~~ state of the Buyer). You should check with the relevant state to determine whether you meet the requirements of that state.

Who should use this resale exemption certificate?

A Buyer who is a registered in one of the states listed on the resale exemption certificate may be able to use this certificate to make purchases of tangible property or taxable services that are for a resale tax exempt. States vary in their policies for use of this certificate. Questions regarding your specific eligibility to use this certificate should be addressed to the revenue department of the relevant state.

Can I use this resale exemption certificate?

The states vary in their rules for use of this resale exemption certificate. You should check with the relevant state to determine whether you can use this resale exemption certificate for purchases from sellers registered in that state. ~~The relevant state may be the state where the Seller is located, where the transaction takes place, or where the Buyer is located.~~ The footnotes to the certificate provide some guidance; however, the Multistate Tax Commission cannot guarantee that any state will accept this certificate. States may change their policies without informing the Multistate Tax Commission.

Which states accept the certificate?

States listed on the certificate accepted this certificate as of July, 2000. States may change their policies for acceptance of the certificate without notifying the Multistate Tax Commission. You may check with the relevant state to determine the current status of the state’s acceptance policy. See next FAQ.

I am based in, buying from, or selling into Maine. Can I use this certificate?

Please contact Maine Revenue Services. See: Sales Instructional Bulletin 54-
www.maine.gov/revenue/salesuse/Bull5410092013.pdf

I am a drop shipper. Can I use this certificate?

If you are the Buyer and your Seller ships directly to your customers, you may be able to use this certificate because you are a reseller. However, your Seller may be unwilling to accept this certificate if you are not registered to collect sales tax in the state(s) where your customers are located.

If you are the Seller, and you have nexus with the state(s) into which you are shipping to your Buyer's customers, you may be required by that state(s) to remit sales tax on those sales if your Buyer is not registered to collect sales tax.

Do I have to fill this resale exemption certificate out for every purchase?

In many cases, this certificate can be used as a blanket certificate, so that you will only need to fill it out once for each of your Sellers. Some states require periodic replacement with a renewed fresh certificate (see notes on certificate). ~~To make filling out the certificate easier, you should fill out your information and all information that does not change, then make photocopies, and then fill out the information that is specific to the transaction.~~

Can this resale exemption certificate be used as a blanket certificate?

In many states this certificate can be used as a blanket certificate. You should verify this with the applicable state. A blanket certificate is one that can be kept on file for multiple transactions between a specific Buyer and specific Seller.

Who determines whether this resale exemption certificate will be accepted?

The Seller will determine whether it will accept the certificate from the Buyer ~~generally according to a good faith standard.~~ The applicable state will determine whether a certificate is acceptable for the purpose of demonstrating that sales tax was properly exempted. The applicable state will generally be the state where the Seller is located ~~or has nexus~~ or the state where the sales transaction took place, or where the Buyer is located. The Multistate Tax Commission does not determine whether this certificate will be accepted either by the Seller or the applicable state.

I have been asked to accept this resale exemption certificate. How do I know whether I should accept it?

You should contact your state revenue department if you are not familiar with the policies regarding acceptance of resale ~~exemption~~ certificates.

In order for the certificate to be accepted in good faith by the Seller, Seller must exercise care that the property or service being sold is of a type normally sold wholesale, resold, leased, rented or incorporated as an ingredient or component of a product manufactured by Buyer and then resold in the usual course of its business. A Seller failing to exercise care could be held liable for the sales tax due in some states.

Is there a more recent version of this certificate?

No. The most recent version is posted on our website. You may have seen a version that has been modified in an unauthorized manner. You should not use any version other than the one available on our website.

Whom should I talk to for more information?

For information regarding whether the certificate will be accepted in the applicable state, you should ~~contact talk to~~ the revenue department of that state. The Multistate Tax Commission's [Member States](#) webpage has links to revenue department websites. ~~For other questions that have not been addressed by these FAQs, you may contact Elliott Dubin at the Multistate Tax Commission, 202-650-0300~~