

# Certificate of Exemption

## Form ST3 instructions and exemption descriptions (continued)

- 24. Repair or replacement parts used in another state or country** as part of a maintenance contract. This does not apply to equipment or tools used in a repair business.
- 25. Resource recovery facilities.** Applies to equipment used for processing solid or hazardous waste (after collection and before disposal) at a resource recovery facility. You must apply for and receive approval from the Department of Revenue.
- 26. Senior citizen groups.** Groups must limit membership to senior citizens age 55 or older, or under 55 but physically disabled. They *must* apply for and receive exempt status authorization from the Department of Revenue.
- 27. Ship repair or replacement parts and lubricants.** Repair or replacement parts and lubricants for ships and vessels engaged principally in interstate or foreign commerce.
- 28. Ski areas.** Items used or consumed primarily and directly for tramways at ski areas, or in snowmaking and snow-grooming operations at ski hills, ski slopes or ski trails. Includes machinery, equipment, water additives and electricity used in the production and maintenance of machine-made snow.
- 29. Solar energy system** means a set of devices whose primary purpose is to collect solar energy and convert and store it for useful purposes including heating and cooling buildings or other energy using processes, or to produce generated power by means of any combination of collecting, transferring, or converting solar-generated energy.
- 30. Taconite production items.** Mill liners, grinding rods and grinding balls used in taconite production if purchased by a company taxed under the in-lieu provisions of M.S. 298 if they are substantially consumed in the production of taconite. *Fact Sheet 147, Taconite and Iron Mining.*
- 31. Telecommunications, cable television and direct satellite equipment** used directly by a service provider primarily to provide those services for sale at retail. *Fact Sheet 119, Telecommunications, Cable Television, Direct Satellite and Related Services.*
- 32. Tribal government construction contract.** Materials purchased on or off the reservation by American Indian or non-American Indian contractors and subcontractors for use in construction projects on the reservation when the tribe or a tribally owned entity is a party to the contract, and the contract is being undertaken for the purpose of the tribe's welfare. It does not extend to the purchase or lease of equipment or tools for use on the project.
- 33. TV commercials.** Covers TV commercials and tangible personal property primarily used or consumed in pre-production, production or post-production of a TV commercial. Includes rental equipment for preproduction and production activities only. (Equipment purchased for use in any of these activities is taxable.) *Fact Sheet 163, TV Commercials.*
- 34. Veteran organizations.** Limited exemption applies to purchases by veteran organizations and their auxiliaries if they are organized in Minnesota and exempt from federal income tax under IRC Section 501(c)(19); and the items are for charitable, civic, educational or nonprofit use (e.g. flags, equipment for youth sports teams, materials to make poppies given for donations).
- 35. Waste-management containers and compactors** purchased by a waste-management service provider to use in providing waste-management services that are subject to solid-waste management tax.
- 36. Wind energy systems.** Wind energy conversion systems and materials used to construct, install, repair or replace them.
- 37. Construction contracts.** When a new local tax is enacted, a contractor is allowed exemption from the new local tax on building materials during the transition period. Contractors must have documentation of a lump-sum contract in force before the new tax begins and deliveries must be made within the specific transition period.
- 38. Preexisting construction contracts and bids.** The general state sales tax rate change from 6.5 percent to 6.875 percent on July 1, 2009 allows a contractor an exemption from the .375 percent tax increase on building materials or services purchased during the transition period (July 1, 2009 - December 31, 2009). The prior state rate of 6.5 percent is still due on these items. (M.S. 297A.68, subd. 39.)
- For construction contracts,** (1) the contractors must have documentation of a bona fide written lump-sum or fixed price construction contract in force before July 1, 2009; (2) the contract must not provide for allocation of future taxes; and (3) for each contract, the contractor must give the seller documentation of the contract on which an exemption is to be claimed. Deliveries must be made before January 1, 2010.
- For construction bids,** (1) the building materials or services must be used pursuant to an obligation of a bid or bids, the bid or bids must be submitted and accepted prior to July 1, 2009; (2) the bid or bids must not be able to be withdrawn, modified or changed without forfeiting a bond; and (3) for each qualifying bid, the contractor must give the seller documentation of the bid on which an exemption is to be claimed. Deliveries must be made before January 1, 2010.

### O. Percentage exemption

- Percentage exemptions may be claimed for **advertising materials** for use outside of Minnesota or local taxing area. Purchaser must enter exempt percentage on Form ST3. *Fact Sheet 133, Advertising - Creative Promotional Services.*
- Exemption applies to percent of **utilities** used in agricultural or industrial production. General space heating and lighting is not included in the exemption. Purchaser must enter exempt percentage on Form ST3. *Fact Sheets 100, Agricultural Production; and 129, Utilities Used in Production.*

### Forms and information

Website: [www.taxes.state.mn.us](http://www.taxes.state.mn.us)

Email: [SalesUse.Tax@state.mn.us](mailto:SalesUse.Tax@state.mn.us)

Phone: 651-296-6181 or 1-800-657-3777  
(TTY: Call 711 for Minnesota Relay)