



Vermont Sales Tax Exemption Certificate
for
CONTRACTORS COMPLETING A QUALIFIED EXEMPT PROJECT
(listed below)
32 V.S.A. § 9743(1)-(4), § 9741(39)

Form
S-3C

Complete one exemption certificate for EACH project

To be filed with the **SELLER**, not with the Vermont Department of Taxes.

- Single Purchase - Enter Purchase Price \$ _____
- Multiple Purchase (effective for subsequent purchases.)

BUYER

Buyer's Name		Federal ID Number
Business Name		For Individuals/Partnerships: Social Security Number
Address		Telephone Number
City	State	ZIP Code

SELLER

Seller's Name		
Address		
City	State	ZIP Code

EXEMPT ORGANIZATION

Organization's Name		
Address		
City	State	ZIP Code
EXEMPT AS: <input type="checkbox"/> 501(c)(3) Registered in Vermont. Vermont Sales and Use Tax Account Number _____ <input type="checkbox"/> United States of America - Agency _____ <input type="checkbox"/> State of Vermont or Subdivision - Name _____ <input type="checkbox"/> Local Development Corporation covered by 10 V.S.A., Chapter 12 <input type="checkbox"/> Qualifying Manufacturing Facility 32 V.S.A. § 9741(39)		
Project	Starting Date	Approximate Completion Date

SIGNATURE

I certify that I have read and complied with the instructions provided with respect to the use of this Exemption Certificate. I further certify that the above statements are true, complete, and correct, and that no material information has been omitted.



Signature of Buyer or Authorized Agent

Title

Date

FORM S-3C Instructions

Vermont Sales Tax Exemption Certificate for Contractors Completing a Qualified Exempt Project

For use only in completion of qualified projects for exempt organizations.

General Information

Please print in **BLUE** or **BLACK** ink only.

All tangible personal property purchased by a contractor is taxable as the contractor is considered to be the end-user with the finished product normally being real property, which is not subject to Vermont Sales and Use Tax. However, there are certain exemptions allowed for contractors purchasing materials:

- When the contractor is working with a qualifying exempt organization
- When the contractor is working on a specific qualifying exempt project

Tangible personal property exempted from tax must be incorporated into the real estate, or the supplies must be used or consumed on the job. If the contractor buys materials or supplies exempt from tax but uses them later in a taxable project, the contractor must pay use tax on those materials and supplies. Purchases of equipment and tools used by the contractor are subject to tax.

Qualifying Organizations & Projects

A qualifying organization contracts to construct, reconstruct, alter, remodel, or repair any building structure or public works project owned by the Federal government, State of Vermont (and its agencies and subdivisions), or a 501(c)(3) as designated by the Internal Revenue Service and registered with the Vermont Department of Taxes. Please note that many nonprofit organizations, such as civic, social, and fraternal organizations, are not 501(c)(3) entities and not all 501(c)(3) projects qualify for exemption. To qualify, the project must be used exclusively for public purposes, and the project contract must be granted by an exempt organization. Turnkey projects are not exempt, even if the ultimate owner may be an exempt organization.

Qualifying Manufacturing Facility

Under 32 V.S.A. § 9741(39), Sales of building materials within any three consecutive years in excess of \$1,000,000.00 in purchase value used in the construction, renovation, or expansion of facilities which are used exclusively, except for isolated or occasional uses, for the manufacture of tangible personal property for sale.

Accepting an Exemption Certificate in “Good Faith”

The buyer must present to the seller an accurate and properly executed exemption certificate for the exempted sale. The responsibility is on the seller to determine if the buyer is submitting the exemption certificate in “good faith.” This requires the seller to be familiar with Vermont Sales and Use Tax law and regulations, including exemptions, that apply to the seller’s business. If the buyer provides a certificate that is not valid, i.e., the item purchased does not qualify for the exemption, this is not in good faith and the seller should not accept the certificate. When the seller accepts the certificate in good faith, the seller is not liable for collecting and remitting Vermont Sales Tax.

An exemption certificate is received at the time of sale in good faith when all of the following conditions are met:

- The certificate contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- The certification is on an exemption form issued by the Vermont Department of Taxes or a form with substantially identical language.
- The certificate is signed, dated and complete (all applicable sections and fields completed).
- The property purchased is of a type ordinarily used for the stated purpose, or the exempt use is explained.

Burden of Proof

The burden of proof is on the seller to demonstrate the certificate was taken in good faith. If the seller cannot provide an exemption certificate showing that the sale was exempt, the Department will seek to collect tax from the seller. If, however, the seller can prove the buyer's claim for the exemption was false, the Department will seek to collect the tax from the buyer.

Obtaining the Exemption Certificate

The seller must obtain an exemption certificate from the buyer either prior to or at the time of the sale. If the certificate is not available at the time of sale, the seller has 90 days after the sale to obtain a fully executed certificate, accepted in good faith.

Retaining the Exemption Certificate

Sellers must retain exemption certificates for at least three years from the date of the last sale covered by the certificate to document why the tax was not collected from the buyer.

Multiple Purchase Exemption Certificates

If the buyer presents a "Multiple Purchase" exemption certificate to the seller, it may be used only when purchasing *tangible personal property for use as indicated on this exemption certificate*. For each purchase covered by the exemption certificate, the sales slip or invoice must show the buyer's name and address sufficient to link the purchase to the exemption certificate on file.

Other types of exemption certificates that may be applicable are available on our website at tax.vermont.gov/business-and-corp/nonprofit-and-exempt-organizations/exemption-certificates/. For questions regarding how these exemption certificates may be properly applied, please contact the Vermont Department of Taxes at (802) 828-2551.