



Vermont Sales Tax Exemption Certificate  
for

**NET METERING, HOME OR BUSINESS ENERGY SYSTEMS OR  
SOLAR HOT WATER SYSTEMS**

32 V.S.A. § 9741(46)

**Form  
S-3E**

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 or Social Security Number
Address		Telephone Number
City	State	ZIP Code

**SELLER**

Seller's Name		
Address		
City	State	ZIP Code

**EXEMPTION CLAIMED**

Description of items purchased  _____ _____ _____ _____ _____	All items must be incorporated in a <b>1)</b> net metering system as defined in Vermont Statute: 30 V.S.A. § 219a or <b>2)</b> home or business energy system not connected to the electric distribution of a utility as described in 30 V.S.A. § 219a(a)(3)(A), (C), (D) and (E) or a solar hot water system described in 32 V.S.A. § 9741(46)(C).
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**SIGNATURE**

I certify that the above items will be incorporated in energy systems as described in Vermont Law.  
32 V.S.A. § 9741(46).



Signature of Buyer or Authorized Agent

Title

Date

**The completed certificate should be given to the seller who must retain it for at least three years after any exempted sale.**

# FORM S-3E Instructions

## Vermont Sales Tax Exemption Certificate for Net Metering, Home or Business Energy Systems or Solar Hot Water Systems

### General Information

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

This exemption certificate applies to the following:

- (a) A net metering system as defined in 30 V.S.A. § 219a
- (b) A home or business energy system on a premises not connected to the electric distribution system of a utility and that:
  - (i) is of no more than 500 kW capacity;
  - (ii) is intended primarily to offset the customer's own electricity requirements;
  - (iii) is located on the customer's premises or, in the case of a group net metering system, on the premises of a customer who is a member of the group; and
  - (iv) employs a renewable energy source or is a qualified micro-combined heat and power system of 20 kW or fewer that meets the definition of combined heat and power in 10 V.S.A. § 6523(b) and may use any fuel source that meets air quality standards
- (c) A hot water heating system that converts solar energy into thermal energy used to heat water, but limited to that property directly necessary for and used to capture, convert, or store solar energy for this purpose.

### 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.

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**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.

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**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.

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**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.

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**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.

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**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/](http://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.**