

INSTRUCTIONS FOR USE OF DENTAL EXEMPTION CERTIFICATE (Form S-3T)

GENERAL INFORMATION

This certificate is used to document the exemption from Vermont sales tax provided by Title 32, Vermont Statutes Annotated, §9741(2) for toothbrushes, floss, and similar items of nominal value given by dentists and hygienists to patients during treatment. The law provides that these are supplies used in treatment to alleviate human suffering or to correct, in whole or part, human physical disabilities.

GOOD FAITH ACCEPTANCE

Tax applies to sales of these items unless the seller has accepted, in good faith, a properly completed exemption certificate from the buyer.

A certificate has been taken in good faith if:

- (a) It contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- (b) The certification is on Form S-3T or a form with substantially identical language.
- (c) The certificate is dated and complete.
- (d) The property purchased is of a type ordinarily used for dental treatment.
- (e) The certificate has been received prior to or at the time of the sale.

A seller who has not charged tax in reliance with an exemption certificate accepted in good faith will not be liable for the tax. If the exemption claim proves to be incorrect, the Department will seek the tax from the buyer, not the seller.

IMPROPER CERTIFICATE / LACK OF CERTIFICATE

Sales transactions which are not supported by properly executed exemption certificates shall be deemed to be taxable retail sales. The burden of proof that the tax was not required to be collected is upon the seller.

RETENTION OF CERTIFICATES

Certificates must be retained by the seller for a period of not less than three (3) years from the date of the last sale covered by the certificate.