

ST-40
(11-99, R-3)

STATE OF NEW JERSEY
Division of Taxation

SALES AND USE TAX

LESSOR CERTIFICATION

P.L. 1989, c. 123

(READ INSTRUCTIONS ON REVERSE SIDE OF THIS CERTIFICATE)

To be completed by Lessor and issued to Lessee.
Lessor and Lessee must retain for inspection.

TO:

(NAME OF LESSEE) (DATE)

(TAXPAYER I.D. NUMBER OR SOCIAL SECURITY NUMBER)

(ADDRESS) (CITY) (STATE) (ZIP CODE)

The undersigned Lessor certifies that:

1. The Lessor is registered with the New Jersey Division of Taxation for Sales & Use Tax purposes.
2. The property subject to this lease transaction is:

(LEASED PROPERTY DESCRIPTION)

If the leased property is a motor vehicle, insert serial number: _____

3. a) ☐ The lessor will pay the Sales and Use Tax on the purchase or use of the property described in 2 above directly to the Division of Taxation or;
- b) ☐ The lessor will claim the exemption checked below. Lessor claims exemption from tax on the purchase of the property described in 2 above by reason of:
 - ☐ Lease for Exempt Use under N.J.S.A. 54:32B-_____ (insert section number).
 - ☐ Lease to Exempt Lessee under N.J.S.A. 54:32B-9.
 - ☐ Lease of motor vehicle, vessel or aircraft exempt under N.J.S.A. 54:32B-10.
 - ☐ Other _____

(Explain and provide statutory citation for exemption claimed)

The undersigned Lessor hereby affirms (under the penalties for perjury and false swearing) that all the information shown in this certificate is correct.

NAME OF LESSOR (AS REGISTERED WITH DIVISION OF TAXATION)

TAXPAYER I.D. NUMBER

By:

(SIGNATURE OF DULY AUTHORIZED OFFICER)

(TITLE)

(ADDRESS)

(CITY)

(STATE)

(ZIP CODE)

BOTH SIDES MAY BE REPRODUCED WITHOUT PRIOR PERMISSION

INSTRUCTIONS FOR USE OF LESSOR CERTIFICATION

1. Good Faith -

In general, a person who accepts an exemption certificate in "good faith" is relieved of liability for payment of tax upon the sale or lease transaction covered by the certificate. The question of "good faith" is one of fact and depends upon a consideration of all the conditions surrounding the transaction.

In order for "good faith" to be established, the following conditions must be met:

- (a) The certificate must contain no statement or entry which the person knows, or has reason to know, is false or misleading.
- (b) The certificate must be an officially promulgated certificate form or a proper reproduction thereof.
- (c) The certificate must be dated and executed in accordance with the published instructions, and must be complete and regular in every respect.

2. Improper Certificate -

Lease transactions that are not supported by properly executed certificates may subject the lessee to tax liability on the total of the payments due under the lease. Sales transactions not supported by properly executed certificates shall be deemed to be taxable retail sales.

3. Retention of Certificates -

Certificates must be retained by the lessee and lessor for a period of not less than three years from the date of the termination of the lease covered by the certificate. Certificates must be in the physical possession of the lessee and available for inspection on or before the 60th day following the date of the transaction to which the certificate relates.

4. Reproduction of ST-40 Certificate forms -

Private reproduction of ST-40 Certificates may be made without the prior permission of the Division of Taxation provided that both sides of the certificate are reproduced.

5. Issuance of Certificate -

The lessor must complete and execute this certification and give it to the lessee on all applicable lease transactions. If the lease is assigned to a bank or other financial institution, this certification must be provided to the assignee.

6. Lessee Certificate Issuance -

If the lessor claims exemption, he must receive and keep with this certification a copy of the lessee's exemption certificate: In the case of exempt use, an Exempt Use Certificate (Form ST-4). In the case of an exempt organization, an Exempt Organization Certificate (Form ST-5) or in the case of motor vehicle, vessel or aircraft, Form ST-10, ST-10V or ST-10A.

PRIVACY ACT NOTIFICATION

The Federal Privacy Act of 1974 requires all agencies requesting information to inform individuals from whom it seeks information why the request is being made and how the information is being used. Your social security number is used primarily to account for and give credit for tax payments. It is also used in the administration and enforcement of all tax laws for which the Division of Taxation has statutory responsibility.

For further information, write to: New Jersey Division of Taxation, Technical Services, Taxpayer Services Branch/OCE, PO Box 281, Trenton, NJ 08695-0281.