

	Vermont Sales Tax Exemption Certificate for <b>CONTRACTORS COMPLETING A QUALIFIED EXEMPT PROJECT</b> (listed below) 32 V.S.A. § 9743(1)-(4), § 9741(39)	<b>Form S-3C</b>
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**Complete one exemption certificate for EACH project**

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

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

<b>CONTRACTOR</b>	Name	Federal ID Number	
	Business Name	<b>For Individuals/Partnerships</b> Social Security Number	
	Address	Telephone Number	
	City	State	Zip

<b>SELLER</b>	Seller's Name		
	Address		
	City	State	Zip

<b>EXEMPT ORGANIZATION</b>	Organization's Name		
	Address		
	City	State	Zip
	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 Downtown Redevelopment Facility 32 V.S.A. § 9741(39)(ii)		
	Project		
	Starting Date	Approximate Completion Date	

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

# Instructions for Use of the Certificate of Exemption for Contractors (Form S-3C)

(For use only in completion of qualified projects for exempt organizations)

**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)s and not all 501(c)(3)s 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 Downtown Redevelopment Facilities

Under 32 V.S.A. § 9741(39)(ii), tangible personal property used to construct or expand a qualifying downtown redevelopment facility is exempted from tax. The exemption is limited to purchases in excess of \$250,000 in a three-year period for downtown projects. Project owners must pay tax on the taxable portion of the project (the first \$250,000) directly to the Vermont Department of Taxes and notify the Department of the project location and the chosen three-year period. The project owner, contractors, and subcontractors may then purchase materials exempt from tax by providing the completed S-3C exemption certificate.

## Acceptance in “Good Faith”

A seller who accepts an exemption certificate in “good faith” is relieved of liability for collection or payment of the Vermont Sales and Use Tax otherwise due on tangible personal property covered by the certificate. Good faith depends upon a consideration of all the conditions surrounding the transaction. To receive an exemption in good faith, a seller is presumed to be familiar with the law and the regulations pertinent to the business in which the seller deals. In order for good faith to be established, all of the following conditions must be met:

- a. **The buyer must present the certificate prior to or at the time of the purchase of the property.**
- b. The certificate must contain no statement or entry which the seller knows, or has reason to know, is false or misleading.
- c. The certificate is on an exemption form issued by the Vermont Department of Taxes or a form with substantially identical language.
- d. The certificate must be dated and complete and in accordance with published instructions.
- e. The Vermont Sales and Use Tax account number is provided on the certificate where applicable
- f. The property to be purchased is of a type ordinarily used by the buyer for the purpose described on the certificate.

## Improper Certificate/Lack of Certificate

Sales of tangible personal property subject to tax which are not supported by properly executed exemption certificates are taxable retail sales. **The burden of proof that the tax was not required to be collected is upon the seller.**

## Retention of Certificates by the Seller

Sellers must retain exemption certificates for at least three years from the date of the last sale covered by the certificate to document why 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 on the qualified exempt project as noted 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: <http://bit.ly/salestaxexemptions>. For questions regarding how these exemption certificates may be properly applied, please contact the Vermont Department of Taxes at (802) 828-2551, option #3.**