



Exemption Certificate

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Wyoming Department of Revenue

The purpose of this bulletin is to explain the exemptions and documentation associated with an **Exemption Certificate**.

All sales of tangible personal property, taxable services and some admissions are subject to sales tax, unless an exemption exists. An exemption is a legislative act of grace from the normal taxability of the transaction.

There are three reasons why a sale may be exempt from sales or use tax:

- An entity based exemption which is based on who purchases the product, service or admission.
- A product based exemption which is based on the description of the product, service or admission.
- Use-based exemption which is based on the purchaser's use of the product.

Exemption Certificate

Before a seller may exempt a sale from tax, he must receive a properly completed exemption certificate from the purchaser. Wyoming utilizes the Streamlined Sales Tax Agreement Certificate of Exemption. Sellers must keep exemption certificates in their records for three years. If the purchaser doesn't provide the seller with a properly completed exemption certificate, the seller must collect sales tax.

An exemption certificate may be issued for a single purchase or used as a blanket

certificate. If the buyer is making recurring purchases from the same seller, the buyer may issue a blanket certificate. The buyer does not need to provide an exemption certificate for future purchases if the same exemption is claimed and the purchase is made from the same seller. A blanket certificate continues in force until canceled by the purchaser.

The purchaser is responsible for assuring that they are claiming a valid exemption and they are eligible to claim the exemption.

The seller is required to maintain proper records of exempt transactions, including properly completed exemption certificates.

The seller is relieved of the responsibility for collecting and remitting sales tax on the sale or sales for which the purchaser provided an exemption certificate if all the following conditions are met:

- All fields on the exemption certificate are completed by the purchaser.
- The fully completed exemption certificate is provided at the time of sale, or if not at the time of sale, within 90 days of the date of sale.
- The state that is due the tax on the sale allows the exemption reason.
- The seller does not fraudulently fail to collect the tax due or solicit customers to unlawfully claim an exemption.

Properly Completed Certificate

A properly completed exemption certificate has the following information:

Properly Completed Certificate

The state exemption is claimed in: Some purchasers may wish to complete a single certificate for multiple states where they conduct business and make purchases from the seller. A listing of Streamlined Member and Associate Member states has been added to the certificate, as a Multistate Supplemental page. If you are conducting business in multiple states, you may enter your ID number and reason for exemption for each state on this form. If you do business in states that are not listed on this form, it is your responsibility to obtain or provide documentation for the exemption as required by that state.

Purchaser's name and address/Purchaser's Tax ID Number:

The Streamlined Exemption Certificate requires the purchaser's name and address as well as an ID number. If you do not have a Tax ID number, then you should list your FEIN. If you do not have a Tax ID number or a FEIN, then you should list a driver's license or state ID number. The instructions for the certificate explain the ID number that should be provided based on the exemption reason.

The owner of a Montana antique store purchases antiques while traveling through Wyoming to resell at his business. The Montana storeowner does not have a sales tax license. The storeowner must provide the Wyoming store with a completed exemption certificate to document that the purchases are for resale. Because Montana does not issue a tax permit, the business should list its FEIN or driver's license number.

Agricultural Exemptions – Wyoming does not require an Agricultural production number for purchases of exempt agricultural products. However, the Department recommends the purchaser's FEIN or driver's license be obtained. The buyer would need to document the purchaser is using the product for agricultural purposes.

Seller's name and address: The Streamlined Exemption Certificate requires the seller's name and address to be listed.

Purchaser's Type of Business - The purchaser is required to indicate his type of business. A listing of various business types is provided. The purchaser should circle the category pertinent to his type of business. Very broad categories are listed on the form such as Utilities, Mining, Retail trade and Business services. More detailed information concerning the purchaser's business is not required.

Purchaser's reason for exemption – Most exemption reasons require an ID number. The type of ID number and where it should be on this form is listed after the exemption reason. Common reasons for exemption are listed on the form. Some states do not offer all reasons listed. It is the purchaser's responsibility to know if the reason he is selecting is valid in the state that is due tax on that sale. Purchasers claiming the Resale exemption are required to indicate their sales tax license number in the line provided, if the state they are located in issues sales tax licenses.

Purchaser's signature – An exemption certificate completed electronically does not need to be signed by the purchaser.

If the purchaser is from a state that does not issue a sales tax license, the exemption certificate must still be completed

documenting the purchaser is exempt or is buying products or services for an exempt use.

Reason for Exemption

The reason for exemption must be identified on the exemption certificate along with the required permit number or other identifying information. The following explains the various reasons that may be used for an exemption and the documentation required for each reason.

United States government

A properly completed exemption certificate would be provided with the purchaser's information completed. In Section 5, "Reason for Exemption", the letter "A" (Federal government) would be circled with the name of the department or agency on the line provided.

Foreign Diplomats

The United States Department of State issues Diplomatic Tax Exemption Cards to eligible foreign diplomatic and consular missions and in most cases to their personnel and eligible family members located in our country. Not all foreign missions and their personnel are entitled to the same level of tax exemption. The cards may be issued with one of two levels of sales and use tax exemption and will be noted on the face/reverse of the card.

- The Personal Tax Exemption Card is valid for personal purchases by the bearer only and subject to the conditions outlined on the card.
- The Mission Tax Exemption Card is used for official purchases of a foreign consulate or embassy. The Mission Card bears the photograph and identification of a consulate,

embassy, or international organization employee who has been allowed official purchasing privileges for that office. All purchases must be made in the name of the mission and paid for with an official check or credit card bearing the name of the Mission (not cash or personal check).

State of Wyoming and its political subdivisions

Many Wyoming towns, cities, counties, school districts and community colleges issue credit cards to their employees to simplify billing. Only if the bill will be paid by the political subdivision and is accompanied by a properly completed exemption certificate will the purchase be exempt from Wyoming sales tax.

A properly completed exemption certificate would be provided with the purchaser's information completed. In Section 5, "Reason for Exemption", the letter "B" (State or local government) would be circled with the name of the department on the line provided.

Wyoming does not provide sales tax exemption to state or local governments of other states. This includes other state's public universities.

Native American Tribes

Sales made within the federally protected boundary of the Wind River Indian Reservation would be exempt from sales tax provided the purchaser has an ID card as an enrolled member of the Eastern Shoshone Tribe or the Northern Arapahoe Tribe.

A properly completed exemption certificate would be provided with the purchaser's information completed. In Section 5,

“Reason for Exemption”, the letter “C” (Tribal government) would be circled with the identification number on the line provided.

Please be advised that this bulletin addresses issues in general terms and cannot be appropriate or applicable in all situations. If your situation is markedly different or you have concerns about this issue, please do not hesitate to contact this department. You can do by e-mail directed to:

DOR_taxability@wyo.gov