



ST-261 Exemption Certificate for Property Subject to Rental Purchase Agreement Tax

Step 1: Identify the seller

Name _____

Business address _____

City _____ State _____ Zip _____

Step 2: Identify the purchaser

Account ID no. _____

Name _____

Business address _____

City _____ State _____ Zip _____

Step 3: Describe the property

Describe the property that is being purchased that is exempt because it will be subject to tax under the Rental Purchase Agreement Tax, or list the invoice number and the date of purchase.

Step 4: Complete for blanket certificates

Complete the information below. Check only one box.

- I am the identified purchaser, and I certify that all of the purchases that I make from this seller are for the purpose of renting such property subject to a rental purchase agreement, as defined in the Rental-Purchase Agreement Act.
- I am the identified purchaser, and I certify that the following percentage, _____ %, of all of the purchases that I make from this seller are for the purpose of renting such property subject to a rental purchase agreement, as defined in the Rental-Purchase Agreement Act.

Step 5: Purchaser's signature

I certify that I am purchasing the property described in Step 3 from the stated seller for the purpose of renting such property subject to a rental purchase agreement, as defined in the Rental-Purchase Agreement Act.

Purchaser's signature

____/____/____
Date

Note: It is the purchaser's responsibility to provide proof of registration under the Rental Purchase Agreement Occupation and Use Tax Act.

General information

When is this certificate required?

Generally, an exemption certificate for property subject to Rental Purchase Agreement Tax (35 ILCS 180/1 *et seq.*) is required for proof that no tax is due on any sale that is made tax-free for the purpose of renting the property under a rental purchase agreement. A "rental purchase agreement" is defined in the Rental-Purchase Agreement Act (815 ILCS 655/0.01 *et seq.*). The purchaser, at the seller's request, must provide the information that is needed to complete this certificate.

Who keeps this certificate?

The seller must keep the certificate. The Department may request it as proof that no tax was due on the sale of the specified property.

Do not mail the certificate to the Department, unless requested to do so by a Department representative.

Can other forms be used?

Yes. You can use other forms or statements in place of this certificate but whatever you use as proof that a sale was made for resale must contain

- the seller's name and address;
- the purchaser's Rental Purchase Agreement Occupation Tax account ID number;
- the purchaser's name and address;
- a description of the property being purchased;
- a statement that the property is being purchased for the purpose of renting the property under a rental purchase agreement; and
- the purchaser's signature and date of signing.

Note: A purchase order signed by the purchaser may be used as an exemption certificate for property subject to Rental Purchase Agreement Tax if it contains all of the above required information.

When is a blanket certificate used?

The purchaser may provide a blanket certificate to any seller from whom all purchases made are for the purpose of renting the property under a rental purchase agreement. A blanket certificate can also specify that a percentage of the purchases made from the identified seller will be for this purpose. In either instance, blanket certificates should be kept up to date. If a specified percentage changes, a new certificate should be provided. Otherwise, all certificates should be updated at least every three years.