

Machinery, Component Parts, and Replacement and Repair Parts of Machinery Used Directly in a Manufacturing Process

General Purpose: This certificate is used by the purchaser of:

- Machinery to be used directly in the manufacturing production process;
- Component parts and contrivances used or required to control, regulate, or operate the machinery, or to enhance or alter its productivity or functionality;
- All replacement and repair parts for this machinery or its component parts and contrivances; **or**
- Any parts of a machine purchased exclusively to assemble into a machine to be used directly in a manufacturing production process. These parts will be assembled into a machine by the purchaser or someone acting on behalf of the purchaser.

Whether or not the machinery, component parts and contrivances, or replacement and repair parts of a machine will be used in Connecticut, charges for the machinery, component parts and contrivances, or replacement and repair parts when used as indicated above are not subject to sales and use taxes.

If the machinery, component parts and contrivances, or replacement and repair parts of a machine are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of any items purchased under this exemption.

Statutory Authority: Conn. Gen. Stat. §12-412(34) and (73); Conn. Agencies Regs. §12-412(34)-1

Instructions for the Purchaser: An owner or officer of a business purchasing manufacturing machinery, component parts and contrivances, or replacement and repair parts of a machine to be used in the manner described above can sign and issue this certificate to advise the seller of these items that the purchase is exempt. Issue this certificate only for machinery used directly in a manufacturing production process, as defined in Conn. Gen. Stat. §12-412(34) and Conn. Agencies Regs. §12-412(34)-1, or for any parts of a machine purchased exclusively for the purpose of assembling a machine for use directly in a manufacturing production process as described in Conn. Gen. Stat. §12-412(73). Keep a copy of the certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued. In addition, the purchaser must prepare and

maintain a record for the use of a component part purchased under Conn. Gen. Stat. §12-412(73) for at least three years following the date of purchase. If you do not have a Connecticut tax registration number, enter the tax registration number assigned by another state and identify the state.

Instructions for the Seller: Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving the sale and storage, use, or other consumption, of the machinery, component parts and contrivances, or replacement and repair parts of a machine is not subject to sales and use taxes. The certificate is valid only if taken in good faith: (1) in the case of machinery, component parts and contrivances, or replacement or repair parts as described above, purchased under Conn. Gen. Stat. §12-412(34), from a person purchasing the items for use in manufacturing; and (2) in the case of component parts of a machine purchased under Conn. Gen. Stat. §12-412(73), from a person purchasing the parts for use in manufacturing machinery or who will assemble the parts into a machine on behalf of a person engaged in manufacturing. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser is not engaged in manufacturing or that the machinery will not be used directly in a manufacturing production process. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of the purchase. The bills, invoices, or records covering all purchases made under this certificate must be marked to indicate this was an exempt purchase. The words “Exempt under CERT-101” satisfy the requirement.

This certificate can be used for individual exempt purchases, in which event the purchaser must check the box marked “Certificate for One Purchase Only.” The certificate can also be used for a continuing line of exempt purchases, in which event the purchaser must check the box marked “Blanket Certificate.” A blanket certificate remains in effect for a three-year period unless the purchaser revokes it in writing before the period expires.

For More Information: Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at www.ct.gov/DRS