

TENNESSEE DEPARTMENT OF REVENUE

Application for Industrial Machinery, Energy Fuels and Water Sales and Use Tax Exemption

1.	Business Name			FEIN or SSN		
2. Sales Tax Account No. Location Identifier		ustrial Mach. No				
3.	Mailing Address					
4.	Facility Location of Machinery		City	State	ZIP Code	
5.	Business Contact	Street	City	State	ZIP Code	
_		Name	Phone Number	Ema	il Address	
6.	Indicate type of business:		_			
	a) Manufacturer or processor					
	b) Printer					
	c) Mining					
	d) Fabricator of prescription eyewe	ar				
	e) Fabricator of building trusses, w	indow units, or door units				
	f) Package automotive aftermarke	t products				
	g) Contractor for manufacturer					
	h) County, municipality, or Tennessee Department of General Services for the Megasite Authority of West Tennessee contractor for water pollution control					
	i) County, municipality, or Tenness for the Megasite Authority of West T systems	•				
7.	Attach a list of the machinery and equipment and describe its use.					
Sec	tion A – Complete this section if yo	u selected (a-e) under questi	on (6).			
8.	What product(s) are manufactured or mined at the facility?					
9.	Describe the manufacturing or mining process performed at the facility:					
10.	For the facility location referenced ab	oove,				
	a. What percentage of gross sales will be from products fabricated or processed?					
	b. What percentage of gross sales will be from products purchased ready for resale or from sales of services?					
	c. Do you provide installation servi	ces for products that you fabri	cate or process?		Yes 🗌 No	
	If yes, what percentage of the fa	bricated or processed products	s will you install?			

Section B - Complete this Section if you selected (a-c) unde	er question (6)	
11. Do you use water directly in your manufacturing process, where product and is used up in the course of the contact? If yes, is that direct contact water separately metered from other	ntact with the manufactured Yes No Yes No	
12. Do you use any type of energy fuel directly in your manufacturing with the manufactured product and is used up in the course of the liftyes, is that direct contact energy fuel separately metered from	el comes into direct contact Yes No Yes No	
13. Do you use natural gas to generate heat for the production of processor can sheet products?If yes, is that natural gas separately metered from other natural	eet and foil, and aluminum Yes No Yes No	
14. Do you use electricity to generate radiant heat for production of If yes, is that electricity separately metered from other electricity	_	☐ Yes ☐ No ☐ Yes ☐ No
<u>d</u> What percentage of fabricated prescription eyewear will be dispe <u>e</u> What percentage of sales are from building supplies other than the f Automotive Parts Manufacturer Name Affiliate (Ye.	ne trusses, window units, or doc	
<u>g</u>	Industrial Machinery No. Begin C	Contract Date End Contract Date
h County or Municipality or Megasite Authority Agency or Department Attach a copy of the contract with the application.	Contract Begin Dat	e Contract End Date
County or Municipality or Megasite Authority Agency or Department Attach a copy of the contract with the application.	Contract Begin Dat	e Contract End Date
Under penalties of perjury, I declare that to the best of my knowledge authority given as a result of this application will be limited to purch will receive upon approval of this application. The use of this authority in the assessment of additional taxes, penalties, and interest.	ge this information is true and c nases specifically delineated by	the exemption certificate you
Print Name	Title	
Signature	Date	

Please mail application to: Tennessee Department of Revenue Taxpayer Services Division 500 Deaderick Street Nashville, TN 37242

Tenn. Code Ann. §§ 67-6-102 and 67-6-206 provide sales and use tax exemptions for industrial machinery and reduced rates for water and energy fuel for qualified manufacturers or processors. To what extent the exemptions apply depends on the qualifying entity. This application is intended to determine what items the applicant may purchase exempt and under what circumstances.

If the applicant qualifies as a manufacturer [one whose principal (at least 51%) business is fabricating or processing tangible personal property for resale], it may purchase exempt from sales tax the following items, but only if those items are *necessary to* and *primarily for* the manufacturing process:

- Machinery, apparatus, and equipment for fabricating/processing
- Accessories and attachments to industrial machinery
- Repair parts for industrial machinery
- Installation and repair services for industrial machinery
- Hydraulic fluids, lubricating oils, and greases necessary to operation and maintenance for industrial machinery
- Pollution control machinery and equipment needed to control and/or eliminate air and water pollutants resulting from one's own manufacturing activities
- Machinery for generating, producing, and distributing utilities
- Equipment for moving materials to and from fabrication process
- Machinery for packaging manufactured items
- Machinery for remanufacture of industrial machinery
- Machinery, apparatus, equipment, and materials for mining
- Machinery, apparatus, and equipment for conversion of tangible personal property into taxable specified digital products for resale
- Machinery for fabrication of asphalt/crushed stone to be used by contractor in roads funded by tax revenues

Manufacturers whose principal business is fabricating or processing tangible personal property for resale, also may purchase water and energy fuel that are used in the manufacturing facility at a reduced tax rate of 1.5% (1% state tax plus .5% local tax for water and 1.5% state tax rate for energy fuel). Separately metered water and energy fuel that come in direct contact with the item being manufactured and are used up through that contact may be purchased exempt from tax (rather than at the reduced rate applicable to all other water and energy fuel used at the manufacturing facility). There are also full exemptions for electricity used to generate radiant heat for production of heat-treated glass and natural gas used to generate heat for the production of primary aluminum, aluminum sheet and foil, and aluminum can sheet products.

Taxpayers (other than contractors building roads funded by tax revenues) that install as an improvement to realty more than 50% of the items they manufacture, will not qualify for manufacturing exemptions.

<u>d</u> Taxpayers that fabricate prescription eyewear the majority of which is dispensed to patients outside Tennessee may purchase machinery and equipment with all associated parts, appurtenances, and accessories, including hydraulic fluids, lubricating oils and greases for operation or maintenance, repair parts and labor, and installation of such machinery that is necessary to and primarily for the fabricating or processing of prescription eyewear.

<u>e</u> Taxpayers that principally sell building supplies but that also fabricate trusses, window units, or door units for resale as a part of the building supplies business may purchase exempt from sales and use tax machinery and equipment with all associated parts, appurtenances, and accessories that are necessary to and primarily for the fabricating of the trusses, window units, or door units. This includes hydraulic fluids, lubricating oils, greases, repair parts and labor, and installation of such machinery.

<u>f</u> Taxpayers that package automotive aftermarket products manufactured at other locations by the same person or by a corporation affiliated with the manufacturing corporation may purchase exempt from sales and use tax machinery and equipment to fabricate and/or install the packaging that will accompany the product when sold at retail with associated parts, appurtenances, and accessories, including hydraulic fluids, lubricating oils and greases for operation or maintenance, repair parts and labor, and installation of such packaging machinery. In addition, those taxpayers may purchase water and energy fuel that are used at the packaging facility address at a reduced tax rate of 1.5% (1% state tax plus .5% local tax for water and 1.5% state tax rate for energy fuel).

<u>g</u> Contractors for manufacturers may purchase exempt from sales and use tax machinery and equipment with all associated parts, appurtenances, and accessories, including hydraulic fluids, lubricating oils and greases for operation or maintenance, repair parts and labor, and installation of such machinery that is necessary to and primarily for the fabricating or processing of tangible personal property at the qualified manufacturer's facility. Contractors must reapply for the exemption for each contracted job.

<u>h or i</u> County or municipality contractors, as well as contractors for the Tennessee Department of General Services for projects at the Megasite Authority of West Tennessee, that purchase and/or install machinery for use in water pollution control or sewage systems, may purchase exempt from sales and use tax machinery and equipment with all associated parts, appurtenances, and accessories, including hydraulic fluids, lubricating oils, and greases necessary for operation or maintenance, repair parts and labor, and installation of such machinery that are necessary to and primarily for water pollution control or sewage systems. Contractors must reapply for the exemption for each contracted job.

Applicants must complete this form and submit additional information requested. If the application is approved, the Department will issue an exemption certificate to the taxpayer that corresponds to the particular exemption(s) for which the taxpayer qualifies. Taxpayers must obtain an industrial machinery exemption certificate prior to making purchases without the payment of tax.

Taxpayers that receive the exemption certificate must provide their vendors with a copy of the certificate or a fully completed Streamlined Sales Tax Certificate of Exemption, which must include the exemption number that is included on the exemption certificate.