



**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 \_\_\_\_\_ Other Industrial Mach. No. \_\_\_\_\_
3. Mailing Address \_\_\_\_\_  
Street City State ZIP Code
4. Facility Location of Machinery \_\_\_\_\_  
Street City State ZIP Code
5. Business Contact \_\_\_\_\_  
Name Phone Number Email Address

6. Indicate type of business:
- a) Manufacturer or processor
  - b) Printer
  - c) Mining
  - d) Fabricator of prescription eyewear
  - e) Fabricator of building trusses, window units, or door units
  - f) Package automotive aftermarket products
  - g) Contractor for manufacturer
  - h) County or municipality contractor for water pollution control
  - i) County or municipality contractor for sewage systems

7. Attach a list of the machinery and equipment and describe its use.

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**Section A - Complete this section if you selected (a-e) under question (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 above,
- 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 services for products that you fabricate or process?  Yes  No  
 If yes, what percentage of the fabricated or processed products will you install? \_\_\_\_\_

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**Section B – Complete this section if you selected (a-c) under question (6)**

11. Do you use water directly in your manufacturing process, where the water comes into direct contact with the manufactured product and is used up in the course of the contact?  Yes  No  
If yes, is that direct contact water separately metered from other water used?  Yes  No
12. Do you use any type of energy fuel directly in your manufacturing process, where the energy fuel comes into direct contact with the manufactured product and is used up in the course of the contact?  Yes  No  
If yes, is that direct contact energy fuel separately metered from other energy fuel used?  Yes  No
13. Do you use natural gas to generate heat for the production of primary aluminum, aluminum sheet and foil, and aluminum can sheet products?  Yes  No  
If yes, is that natural gas separately metered from other natural gas used?  Yes  No
14. Do you use electricity to generate radiant heat for production of heat-treated glass?  Yes  No  
If yes, is that electricity separately metered from other electricity used?  Yes  No
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**Section C – Complete the question(s) that apply to your response under question (6).**

d What percentage of fabricated prescription eyewear will be dispensed to patients outside Tennessee? \_\_\_\_\_

e What percentage of sales are from building supplies other than the trusses, window units, or door units? \_\_\_\_\_

f \_\_\_\_\_  
*Automotive Parts Manufacturer Name* *Affiliate (Yes or No)* *Location of Manufacturer (City and State)*

g \_\_\_\_\_  
*Manufacturer's Name* *Sales Tax No.* *Industrial Machinery No.* *Begin Contract Date* *End Contract Date*

Describe the nature of the contract as it applies to industrial machinery:

h \_\_\_\_\_  
*County or Municipality* *Agency or Department* *Contract Begin Date* *Contract End Date*

Attach a copy of the contract with the application.

i \_\_\_\_\_  
*County or Municipality* *Agency or Department* *Contract Begin Date* *Contract End Date*

Attach a copy of the contract with the application.

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**Affidavit of Applicant**

Under penalties of perjury, I declare that to the best of my knowledge this information is true and correct. I understand that any authority given as a result of this application will be limited to purchases specifically delineated by the exemption certificate you will receive upon approval of this application. The use of this authority for purposes other than those authorized by law may result in the assessment of additional taxes, penalties, and interest.

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.

d 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.

e 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.

f 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).

g 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.

h or i County or municipality contractors 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.

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