



Vermont Sales Tax Exemption Certificate  
for

**CONTRACTORS**

32 V.S.A. §9743(1)-(4), §9441(39)

**Form  
S-3C**

To be filed with the **SELLER**, not with the VT Department of Taxes.

Complete one  
exemption certificate  
for EACH project

- Single Purchase - Enter Purchase Price \$ \_\_\_\_\_  
 Multiple Purchase (effective for subsequent purchases.)

<b>CONTRACTOR</b>	Name		Federal ID Number	
	Business Name		For Individuals/Partnerships Social Security Number	
	Address		Telephone Number	
	City		State	Zip

<b>SELLER</b>	Seller's Name		
	Address		
	City	State	Zip

<b>EXEMPT ORGANIZATION</b>	Organization's Name		
	Address		
	City	State	Zip
	Exempt as:		
	<input type="checkbox"/> 501(c)(3) Registered in Vermont. Vermont Account Number _____ <input type="checkbox"/> United States of America - Agency _____ <input type="checkbox"/> State of Vermont or Subdivision - Name _____ <input type="checkbox"/> Local Development Corporation covered by 10 V.S.A., Chapter 12 <input type="checkbox"/> Qualifying Manufacturing Facility 32 V.S.A. §9741(39)(i) <input type="checkbox"/> Qualifying Downtown Redevelopment Facility 32 V.S.A. §9741(39)(ii)		
Project Location			
Starting Date	Approximate Completion Date		

I certify that, to the best of my knowledge and belief, the statements provided here are true and correct.



\_\_\_\_\_  
Signature of Buyer or Authorized Agent

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## INSTRUCTIONS FOR SALES TAX EXEMPTION CERTIFICATE FOR CONTRACTORS (Form S-3C)

**General Information** Normally, all materials purchased by contractors are taxable. This is due to the contractor being the end-user with the finished project normally being real property, not subject to Sales and Use tax. There are, however, certain exemptions for which some materials may be purchased by the contractor tax exempt due either to a qualifying organization granting the contract or due to a specific qualifying project.

**Qualifying Organization** Contracts to construct, reconstruct, alter remodel or repair any building structure or public works project owned by the Federal government, State of Vermont (and its agencies and subdivisions), or a 501(c)(3) organization registered with the Department. Not all 501(c)(3) projects qualify for exemption. To qualify, the project must be used **exclusively** for public purposes. Please note that all non-profits are not 501(c)(3) organizations. The typical civic, social or fraternal organizations are not 501(c)(3). Projects are exempt only if the exempt organization is the one responsible for granting the contract. Turnkey projects are not exempt, even if the ultimate owner may be an exempt organization.

**Qualifying Manufacturing and Qualifying Downtown Redevelopment Facilities** under Vermont Statute, 32 V.S.A §9741(39), are exempted from Sales and Use tax on ***building materials*** used to construct or expand a manufacturing facility or to expand a downtown redevelopment facility. The exemption is limited to purchases in excess of \$1 million in a three-year period for a manufacturing facility and purchases in excess of \$250,000 in a three-year period for downtown projects. To use this exemption, project owners must pay tax on the taxable portion of the project (the first \$1,000,000 or \$250,000) directly to the Vermont Department of Taxes and notify the Department of the project location and the three-year period chosen. The project owner, contractors and subcontractors may then purchase building materials untaxed by providing sellers with this completed exemption certificate.

***Equipment and tools are taxable and not subject to this Contractor's Exemption.*** Exempt items must be directly incorporated into the real estate, or supplies used or consumed directly on the job. If the contractor buys materials or supplies tax-free and later uses them in a taxable project, the contractor must report and pay use tax on the materials and supplies.

Sales transactions not supported by properly executed exemption certificates will be deemed taxable retail sales. The burden of proof that the tax was not required to be collected is upon the seller.

Completed forms are to be retained by the Seller for a period of not less than three years from the date of the last sale covered by the certificate to document why the Sales & Use tax has not been charged to the buyer. A seller who accepts an exemption certificate in "good faith" is relieved of liability for the collection or payment of the Sales & Use tax otherwise due on items covered by the completed certificate. "Good faith" depends on all the conditions surrounding the transaction AND relies on the seller's familiarity with the laws and regulations pertinent to the applicability of the exemption with relation to the business in which the seller deals. Additionally, in order for good faith to be established, the following conditions must be met:

- The completed certificate must contain no entry which the seller knows, or has reason to know, is false or misleading.
- The certificate is fully completed, dated and signed in accordance with the instructions.
- The Vermont Business Account number is entered where required.
- The property purchased is of the type ordinarily used by the buyer for the purpose described on the certificate.
- The certificate is completed prior to or at the time of the purchase.

Completed certificates must be retained by the seller. Additional qualifying purchases by the same buyer are covered by one completed certificate if they are for the same type of property and each subsequent sales slip or purchase invoice based on the certificate shows the buyer's name, address, and is cross-referenced for verification purposes.