



# Standard Municipal Home Rule Affidavit of Exempt Sale

This form is provided by home rule municipalities within the State of Colorado to record supporting information for any transaction on which an exemption from tax is claimed. The form is maintained by the seller for tax-exempt sales.

**Furnish this form to the seller. Do not return this form to the taxing jurisdiction.**

## Purchase Details

Purchase for resale - or -  Purchase for wholesale (Qualifications may vary by jurisdiction – see instructions)

State license number (not FEIN number): \_\_\_\_\_ Expiration \_\_\_\_\_

Local license number (if applicable): \_\_\_\_\_ Issuing municipality: \_\_\_\_\_

I affirm items purchased are for resale/wholesale in the ordinary course of business. Initial \_\_\_\_\_

Purchase by religious or charitable organization (Exemptions may vary by jurisdiction)

State tax-exempt number (not FEIN number): \_\_\_\_\_

Local tax-exempt number (if applicable): \_\_\_\_\_ Issuing municipality: \_\_\_\_\_

**Payment information (required to meet one of the following):**

Paid by cash and accompanied by a purchase order from the organization

Paid by check drawn on funds of the exempt organization

Paid by purchasing card bearing information of the exempt organization

The embossed name of the card is: \_\_\_\_\_

Paid by commercial card not a personal credit card - card's last four digits: \_\_\_\_\_

Purchase for federal, state, or local government

Credit card number (first six and last four only): \_\_\_\_\_ - \_\_\_\_\_ XX-XXXX- \_\_\_\_\_

**Federal government (payment information – required to meet one of the following):**

GSA SmartPay2 card – fleet card with picture of a road and flag

GSA SmartPay2 card – purchase card with picture of a keyboard and flag

GSA SmartPay2 card – travel card with picture of an airplane and flag

GSA SmartPay2 card – integrated card with picture of an eagle and flag

Dept of Interior agency issued card – agency name \_\_\_\_\_

**State and local government (payment information – required to meet one of the following):**

Paid by cash and accompanied by purchase order issued by the government agency

Paid by check issued by and drawn on funds from the government agency

Paid by government purchase card as designated on the card

State tax-exempt number printed on the card (Colorado only): \_\_\_\_\_

Check if the card states “for official state use only” or “tax exempt”

Purchase for foreign and diplomatic exemptions (required to meet the following):

Purchaser presents a state department issued card with the name/photo of the bearer on the card.

If presented with this card, documentation of form of payment is not required (excluding mission card).

Other qualified exemption

Nature of exemption: \_\_\_\_\_

Exempt number: \_\_\_\_\_

## Purchaser Information

|  |  |  |                          |  |
|--|--|--|--------------------------|--|
| Legal Name of Company/Organization/Agency Name |  |  | Purchaser Name (Printed) |  |
|--|--|--|--------------------------|--|

|         |  |      |       |         |
|---------|--|------|-------|---------|
| Address |  | City | State | Zip + 4 |
|---------|--|------|-------|---------|

|       |                        |  |  |  |
|-------|------------------------|--|--|--|
| Phone | Government Issued ID # | Description of Normal Course of Business |  |  |
|-------|------------------------|--|--|--|

Under penalty of perjury, I swear or affirm that the information on this form is true and correct as to every material matter. I affirm that the items purchased tax-exempt will be used for official business of the above-named organization or agency. I accept that I remain directly liable for the taxes and any applicable penalty or interest if my purchase is found to not qualify for the exemption or if the information asserted in this form is deemed fraudulent.

|           |      |
|-----------|------|
| Signature | Date |
|-----------|------|

## Seller Verification

|             |            |      |                |                         |
|-------------|------------|------|----------------|-------------------------|
| Seller Name | Location # | Date | Transaction ID | Employee ID# / Initials |
|-------------|------------|------|----------------|-------------------------|

|  |                             |
|--|-----------------------------|
| Description of Items Purchased or Attach Duplicate Receipt/Invoice | Exempted Amount of Purchase |
|--|-----------------------------|



# Instructions for Standard Municipal Home Rule Affidavit of Exempt Sale

These instructions are specific to the jurisdiction in which this purchase has been made. Qualifying for an exemption may be different for each jurisdiction, and these instructions are not intended to set forth the requirements of any jurisdiction other than the one indicated.

## General Instructions

### Purpose of Form

This form is used to certify to sellers that a purchase qualifies for exemption under Vail Municipal Code Section 4-3-3-6.

**For Sellers**, accepting and keeping this document helps you obtain correct information about the purchaser, which helps you prove this is an exempt sale during a tax audit.

**For Purchasers**, completing this document and giving it to seller helps to speed up your purchase process.

### Reminders

**Furnish to seller.** This form should be furnished to the seller charging the tax. Do not send this form to the taxing jurisdiction. This form is not for organizations to request certification of their tax-exempt status.

**Direct payment required.** Purchases must be billed to and paid directly by the funds of the organization or agency in order to qualify for exemption. Payment in cash (without a purchase order) or by personal check or personal credit card disqualifies a purchase from exemption even if the purchaser is subsequently reimbursed. Purchases made on credit cards issued by the organization, but where the cardholder receives and pays the bill and is subsequently reimbursed, also do not qualify for exemption.

**Reimbursement disqualifies exemption.** If the organization or agency will be reimbursed, in whole or in part, the purchase is disqualified from exemption. For example, the purchase of food for a banquet for which the organization sells tickets as a fundraiser would not qualify for exemption.

**Disputed tax must be collected.** If there is a dispute between the purchaser and the seller as to whether tax applies, Vail Municipal Code Section 4-3-3-2-E **requires** the seller to collect the tax. The seller must give the purchaser a receipt showing the tax collected. The purchaser may apply to the applicable municipality directly for a refund by filing a *Claim for Refund* form.

**Signature required.** The individual making the purchase must sign and date the form at the bottom. A separate affidavit may be required for each transaction. General purchaser or store information may be completed in advance and kept on file by the seller or purchaser for ease of use.

## Purchaser Instructions

**Purchase details.** Identify the accurate qualified exemption reason and complete the required information for that exemption.

**Purchaser information.** Print the legal name of the organization or agency. Governmental agencies should include both the name of the government and the department or agency, for example, US Department of Transportation, Colorado Department of Education, or Adams County Human Services. Abbreviations such as "Dept." are acceptable but **do not use acronyms**. List the organization's or agency's mailing address, municipality, state, and zip code.

**Expedite purchase.** Purchase details and purchaser information may be completed in advance and the partially completed form kept on file by the purchaser for completion at time of each transaction.

**Declaration of affiant.** The individual making the purchase on behalf of the exempt organization or agency (the affiant) must complete the declaration.

**Signature.** You are swearing, under penalty of perjury, to the accuracy of the statements made in this affidavit. Carefully read and ensure that you understand each item before signing this affidavit. After reviewing the form for accuracy, sign and date the form. Furnish this form to the seller. Do not send a copy to the municipality.

## Seller Instructions

**Sellers have the burden of proving that a transaction was properly exempted.** If an exemption is subsequently disallowed by the municipality, you (the seller) could be liable for the tax plus penalties and interest. This form is provided to help you determine if a sale qualifies for exemption. The sale is not exempt from taxes simply because this affidavit is completed. The responsibility for proper collection of taxes remains with the seller. You are encouraged to obtain this form for each transaction and complete all of the information in the lower *Seller Verification* section.

**Resale/Wholesale transactions.** To qualify as an exempt purchase for resale or wholesale, the items purchased must be reasonably deemed to be for sale in the ordinary course of business of the purchaser. For resale/wholesale transactions the seller is required to not only collect the applicable license information, but to exercise sound judgment and a reasonable amount of skepticism to ensure the items purchased are reasonably for sale in the purchaser's ordinary course of business. For example, a restaurant would not be allowed to purchase dish soap for resale because restaurants do not sell dish soap in the ordinary course of business, but rather use the dish soap in the operation of the business.

**The affidavit needs to be completed in its entirety.** Be sure information is complete, accurate and legible. Review the information, and particularly verify that the driver's license number and purchaser's name are correct. Also, be sure that the digits that are required from the credit cards are correct. Only record and keep those digits from the credit card that the affidavit requires. The signature of the purchaser should be the same as on the driver license.

**Sellers should review guidance on accepting government credit cards.** Not all cards qualify for exemption, even though they bear certain of the listed characteristics.

**Collection of this form does not provide a safe-harbor from disallowance by the municipality.** Retain this form for at least 3 years.

## Jurisdiction Specific Instructions

**CHARITABLE ORGANIZATION:** Any entity organized and operated exclusively for religious, charitable, scientific, testing for public safety, literary, or educational purposes, or to foster national or international amateur sports competition (but only if no part of its activities involve the provision of athletic facilities or equipment) or for the prevention of cruelty to children or animals, no part of the net earnings of which inures to the benefit of any private shareholder or individual, no substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation, and which does not participate in, or intervene in any political campaign on behalf of any candidate for public office (including the publishing or distributing of statements).

**CONSTRUCTION MATERIALS:** Tangible personal property which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of a complete structure or project including public and private improvements. Construction materials include, but are not limited to, such things as asphalt, bricks, builder's hardware, caulking material, cement, concrete, conduit, electric wiring and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lathe, lead, lime, lumber, macadam, millwork, mortar, oil, paint, piping, pipe valves, and pipe fittings, plaster, plumbing fixtures, putty, reinforcing mesh, roadbase, roofing, sand, sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs, and other landscaping materials, wallboard, wall coping, wallpaper, weather stripping, wire netting, and screen, water mains and meters, and wood preserver. The above materials, when used for forms, or other items which do not remain as an integral or inseparable part of a completed structure or project are not construction materials. Construction materials do not include such things as: carpeting, equipment, furniture, removable fixtures, window coverings, or similar items.