

KANSAS DEPARTMENT OF REVENUE
RESALE EXEMPTION CERTIFICATE

The undersigned purchaser certifies that the tangible personal property or service purchased from:

Seller: Hummert International
Business Name

Address: 4500 Earth City Expressway Earth City MO 63045
Street, RR, or P. O. Box City State Zip + 4

will be **resold** by me in the form of tangible personal property or repair service. I hereby certify that I hold valid Kansas sales tax registration number _____, and I am in the business of selling _____
(May attach a copy of registration certificate)

(Description of product(s) sold; food clothing, furniture, etc.)

Description of tangible personal property or services purchased: _____

I understand and agree that if the items purchased with this certificate are used for any purpose other than retention, demonstration, or display while being held for sale in the regular course of business, I am required to report and pay the sales tax, based upon the purchase price of the items.

Purchaser: _____
Name of Kansas Retailer

Address: _____
Street, RR, or P. O. Box City State Zip + 4

Signature: _____ Date: _____

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.

WHO MAY USE THIS CERTIFICATE? Only those businesses and organizations that are registered to collect Kansas sales tax and provide their Kansas sales tax registration number on this form may use it to purchase inventory without tax. For additional information see Publication KS-1520, *Kansas Exemption Certificates*.

Nonprofit groups or organizations exempt by law from collecting tax on their retail sales of tangible personal property (such as a PTA or a nonprofit youth development organization) should use the exemption certificate issued to it by the Department of Revenue when buying items for resale.

Wholesalers and buyers from other states not registered in Kansas should use the Multi-Jurisdiction Exemption Certificate, Form ST-28M, to purchase their inventory. **HOWEVER**, if the inventory item purchased by an out-of-state retailer who has sales tax nexus with Kansas is drop shipped to a Kansas location, the out-of-state retailer must provide to the third party vendor a Kansas sales tax registration number, either on this certificate or the Multi-Jurisdiction Exemption Certificate, for the sale to be exempt. If the out-of-state retailer **DOES NOT** have sales tax nexus with Kansas, it may provide the third party vendor a resale exemption certificate evidencing qualification for a resale exemption, **regardless** of the state in which the retailer is registered for sales tax.

Contractors, subcontractors, or repairmen may not use this certificate to purchase their materials, parts, or tools. Retailer/Contractors should use a Retailer/Contractor Exemption Certificate, Form ST-28W, to purchase their resale inventory.

WHAT PURCHASES ARE EXEMPT? Only goods or merchandise intended for resale (inventory) are exempt. Tools, equipment, fixtures, supplies, and other items purchased for business or personal use are **TAXABLE** since the buyer is the final consumer of the property.

The items purchased with this certificate must correspond to the type of business buying them. For example, a retail clothing store may only reasonably purchase items of wearing apparel and accessories with this certificate. All other kinds of items are not usually sold by a clothing store to their customers and, therefore, cannot be purchased with this certificate.

LABOR SERVICES. This certificate applies **ONLY** to items of tangible personal property. A contractor may not use an exemption certificate to purchase the labor services of another contractor or subcontractor. Taxable labor services performed by a contractor can **ONLY** be purchased without tax with a Project Exemption Certificate issued by the department or its authorized agent.

RETAINING THIS CERTIFICATE: Sellers should retain a completed copy of this certificate in their records for at least three years from the date of sale. A seller is relieved of liability for the tax if it obtains a completed exemption certificate from a purchaser with which the seller has a recurring business relationship. A certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.

KANSAS DEPARTMENT OF REVENUE
AGRICULTURAL EXEMPTION CERTIFICATE

The undersigned purchaser certifies that the tangible personal property or service purchased from:

Seller: Hummert International
Business Name

Address: 4500 Earth City Expressway Earth City MO 63045
Street, RR, or P. O. Box City State Zip + 4

is exempt from Kansas sales and compensating use tax for the following reason (check one box):

- Ingredient or component part Consumed in production Propane for agricultural use
- The property purchased is farm or aquaculture machinery or equipment, repair or replacement parts, or labor services on farm or aquaculture machinery or equipment which will be used exclusively in farming, ranching, or aquaculture.
- Seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides, fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use.

Description of tangible personal property or services purchased: _____

The undersigned understands and agrees that if the tangible personal property or services are used other than as stated above or for any other purpose that is not exempt from sales or compensating tax, the undersigned purchaser becomes liable for the tax.

Purchaser: _____
Business Name

Address: _____
Street, RR, or P. O. Box City State Zip + 4

Authorized Signature: _____ Date: _____

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.

WHO MAY USE THIS CERTIFICATE? Farmers, ranchers, feedlots, fisheries, grass farms, nurseries, Christmas tree farms, custom cutters, crop dusters, and others engaged in farming, ranching, aquaculture, or farm and ranch work for hire are entitled to this exemption.

WHAT PURCHASES ARE EXEMPT? This certificate contains five separate exemptions. Examples of items or uses that are exempt, and those that are taxable are given for each exemption. In addition to meeting the definition for an "ingredient or component part" or the "consumed in production" exemption, items purchased with this certificate must be used exclusively in agriculture or aquaculture to produce a product for resale — food, fiber, fur, or offspring for such purposes.

RETAINING THIS CERTIFICATE: Sellers should retain a completed copy of this certificate in their records for at least three years from the date of sale. A seller is relieved of liability for the tax if it obtains a completed exemption certificate from a purchaser with which the seller has a recurring business relationship. A certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.

INGREDIENT OR COMPONENT PART: EXEMPT: Wheat, corn, milo, soybean, and sunflower seed used to produce these crops; feed for beef or dairy cattle, sheep and hogs, ground grain for chickens in a poultry or egg-laying operation; food for aquatic plants and animals (fish); baler twine, baler wire and bale wrap used on hay that will be resold or used in the farmer or rancher's own livestock production operation. TAXABLE: Bedding plants and seeds for a home garden; or food for pets and pleasure animals.

CONSUMED IN PRODUCTION: EXEMPT: Insecticides, herbicides, fungicides, fumigants, germicides, pesticides, and other such chemicals used on growing agricultural crops for resale or used in the processing or storage of fruit, vegetables, feeds, seeds, and grains; antibiotics, biologicals, pharmaceuticals, vitamins, minerals, and like products which are fed, injected, or otherwise applied to livestock for resale; off-road diesel fuel, oil, and oil additives consumed by farm tractors and combines; LP gas for agricultural use. TAXABLE: Insecticides and the like purchased for use in a home garden; antibiotics, vitamins, etc. purchased for pets or pleasure animals; fuels, oils, for cars, trucks, and ATVs.

PROPANE FOR AGRICULTURAL USE: EXEMPT: Propane used to operate farm machinery. TAXABLE: Propane for non-agricultural use, including for barbecue grills, campers, RV equipment and vehicles licensed to operate on public highways.

FARM OR AQUACULTURE MACHINERY AND EQUIPMENT: To qualify, the machinery or equipment must be used ONLY in farming, ranching, the operation of the feedlot or nursery, farm or ranch work for hire, or aquaculture. The exemption applies to the rental or purchase of farm or aquaculture machinery and equipment, as well as the parts and labor purchased to repair or maintain the farm or aquaculture machinery and equipment. EXEMPT: Combines, discs, farm tractors, harrows, hay balers, irrigation and milking equipment, planters, plows, tillers, and work-site utility vehicles (see NOTICE 06-02). TAXABLE: Air compressors and tanks, all terrain vehicles (ATVs), automobiles and trucks, barn ventilators, building and electrical materials, bulldozers, fencing materials and tools, garden hoses, grain bins, hand tools, lawnmowers, silos, water and gas wells, welding equipment, and any equipment that becomes a part of a building, facility, or land improvement.

SEEDS AND TREE SEEDLINGS: All components of a shelter belt or wind break planted on **agricultural land** are exempt from sales tax. This includes the trees, fertilizers, pest control chemicals, moisture/weed barrier and staples, and above ground irrigation equipment. Furthermore, all services related to the planting or caring of the trees planted on **agricultural land** are exempt from sales tax.

Note: See Publication KS-1550, Kansas Sales & Use Tax for the Agricultural Industry, at www.ksrevenue.org for additional information.

**Kansas Department of Revenue
Office of Policy and Research**

Notice 09-11

**NEW KANSAS TAX-EXEMPT ENTITY EXEMPTION CERTIFICATES
TO BE ISSUED
July 2009**

Since November 2004, the Department of Revenue has issued tax entity exemption certificates to qualified organizations, including schools, governments, hospitals, and certain qualified nonprofit organizations. The certificates include a unique Kansas exemption number, contain the name and address of the exempt entity, and have a certificate expiration date. These tax entity exemption certificates are being replaced with a new certificate as the current certificates start to expire in November 2009. Some of the current certificates have expiration dates throughout 2010, with the latest expiration date being November 30, 2010 but all are being replaced at this time.

As part of the process to renew the exemption certificates the department has revised the certificate to assist you in identifying the old vs. new format. An example of the current and new certificate is on the second page of this notice. The new certificate will be available to tax exempt entities beginning on August 1, 2009. The renewal application is located on our web site, www.ksrevenue.org. Throughout August and September the department will be issuing notices to the entities on how to renew the certificate.

You can continue to honor the current exemption certificate **as long as the expiration date has not passed**. You must request a copy of the new certificate from your clients as they make purchases. The entities have been told to provide retailers with a copy of their new certificate. If your business provides exempt entities with your own exemption card as part of your exemption process, you must update your systems to ensure you are only allowing tax exempt entities who are issued an exemption by the department to purchase tax exempt. **Please note the exemption number has not changed.**

This change only affects the tax entity exemption certificate. Other exemption certificates used for agricultural purchases, purchases of resale, for manufacturing and processing, consumed in production, and purchases by the federal government are not affected and continue to be used in the same manner. As a reminder, if you question the validity of an exemption certificate, you can check on a tax entity exemption certificate through a verification process on our web site. Click on exemption certificates under 'Your Business' to access the verification application.

For additional information on Kansas sales and use exemptions see Publication KS-1520, *Kansas Exemption Certificates*, located at: www.ksrevenue.org. For specific questions on this notice or on exemption certificates contact (785) 368-8222.

Current Certificate

These are expiring but can be honored through the expiration date on the certificate.

KANSAS DEPARTMENT OF REVENUE DIVISION OF TAXATION

TAX-EXEMPT ENTITY EXEMPTION CERTIFICATE

The Kansas Department of Revenue certifies that the entity to which it has issued this numbered certificate is exempt from paying Kansas sales and/or compensating use tax pursuant to:

K.S.A. 79-3606(b), which exempts all sales of tangible personal property and services, including the renting or leasing of tangible personal property, purchased directly by the State of Kansas, a political subdivision thereof (other than a school or educational institution), or purchased by a public or private nonprofit hospital or public health authority or nonprofit blood, tissue or organ bank and used exclusively for state, political subdivision, hospital or public health authority or nonprofit blood, tissue or organ bank purposes. **EXCEPTION:** When such state, hospital or public health authority is engaged or proposes to engage in any business specifically taxable, or when such political subdivision is engaged in the business of furnishing gas, electricity or heat to others; purchases of property or services used or proposed to be used in such businesses are taxable.

By furnishing this certificate, the undersigned tax-exempt entity certifies that its direct purchase of:

_____ Description of property or service purchased

Seller's Name: _____

Address: _____

Street, RR or PO Box _____ City _____ State _____ Zip _____

is exempt from the state and local sales or compensating use tax. The undersigned tax-exempt entity further understands and agrees that if the tangible personal property and/or services are used other than as stated, or for any other purpose that is not exempt from the tax, the undersigned tax-exempt entity becomes liable for the state and local sales or use tax. The unlawful or unauthorized use of this certificate is expressly prohibited, punishable by fine and/or imprisonment.

TAX-EXEMPT ENTITY INFORMATION

Name: Tax Exempt Entity

Address 100 Main St
PO Box 99
Anywhere KS 66666



K A N S A S

Kansas Exemption Number:
KSSAMPLE99

Expiration Date: 11/01/2009

Authorized Signature: _____

Officer, Office Manager or Administrator

Printed Name: _____

FEIN: _____

Date: _____

USE OF THIS EXEMPTION CERTIFICATE

What purchases are exempt: The direct purchase, rental or lease of tangible personal property and the direct purchase of repair services are exempt, subject to the exception(s) noted in the statute above.

Materials furnished by or through a contractor or materials and/or labor of a subcontractor for real property projects are taxable.

Project Exemption Certificate (PEC) applicability: This entity, unless an agency of the State of Kansas, is authorized to receive or issue a Project Exemption Certificate (PEC) in order that the materials purchased or furnished by a contractor or the materials and labor of a subcontractor on a real property project may be purchased without tax. The State of Kansas, except for the Dept of Corrections for a state correctional institution, CANNOT obtain a PEC, materials purchased by a contractor for state projects are always taxable.

PR-98ES (07/07)

INFORMATION FOR RETAILERS

You must keep a copy of this completed certificate with your other sales tax records for a period of at least three years from the date this certificate was signed and presented to you.

A completed certificate may be used by the organization as a blanket exemption for future purchases from you of the same type for the same exempt purpose.

All purchases must be a direct purchase - billed directly to the entity, and/or paid for with entity funds (check or credit card).

Sales to employees or agents of the exempt entity using their personal funds are taxable, even when the employee/agent is later reimbursed the expense by the exempt entity.

The items purchased must be used exclusively by the exempt entity for the stated exempt purpose(s).

New Certificate

These are being issued starting August 1, 2009 and will expire November 1, 2014.

Kansas Department of Revenue Sales and Use Tax Exemption Certificate

The Kansas Department of Revenue certifies this entity is exempt from paying Kansas sales and/or compensating use tax as stated below.

Kansas Exemption Number: KSSAMPLE99

Expiration Date: 11/01/2014

The tax-exempt entity understands and agrees that if the tangible personal property and/or service are used other than as stated, or for any purpose that is not exempt from the tax, the tax-exempt entity is liable for the state and local sales or use tax. The unlawful or unauthorized use of this certificate is expressly prohibited, punishable by fine and/or imprisonment.

Exempt Entity

100 Main
PO Box 99
Anywhere KS 66666



EXEMPT ENTITY INFORMATION:

Authorization and scope:

- K.S.A. 79-3606(b) & (d) - State of Kansas, political subdivisions of the state of Kansas (Kansas cities, counties, townships, special districts), nonprofit hospitals, and blood, tissue, or organ banks.
- Exemption applies to all direct purchases, rental or lease of tangible personal property and services, except purchases of goods for human habitation or purchases made for any business activity specifically taxable, and indirect purchases by a contractor for a real property project except as noted below.

Limitations:

- Only direct purchases are exempt through the use of this certificate.
- Except for state government, this entity qualifies for exemption on indirect purchases by a contractor through the issuance of a Project Exemption Certificate (PEC). Apply on-line at KDOR's web site: www.kdor.gov. The only State of Kansas agency allowed a PEC is a Kansas correctional institution. Indirect purchases by all other state agencies are subject to sales tax.
- This exemption does not apply to the purchase of any construction machinery, equipment or tools used in the constructing, maintaining, repairing, enlarging, furnishing or remodeling facilities for the exempt entity.
- Subject to sales tax are purchases of capital goods used for human habitation (i.e. residential housing and dormitories) to include materials for construction, remodeling or repair and furnishings such as beds, curtains, desks and furniture. Labor services on residential housing and dormitories are exempt as residential construction.
- All purchases of goods and services used in a business that is specifically taxable by the Sales Tax Act are subject to tax. This includes operation of a utility, restaurant, and selling of goods or services at retail.

Exempt Entity Authorized Signature (Officer, Office Manager or Administrator) _____

Federal ID Number _____

Printed Name _____

Date _____

RETAILER INFORMATION:

- To qualify for exemption, the certificate must have an expiration date in the future and be signed by an authorized individual.
- Payment must be made by the entity on their checking account or on a credit/debit card issued to the entity. Acceptance of cash, personal checks, or personal credit/debit cards is not allowed for a tax exempt purchase.
- The entity must have a Kansas exemption certificate. Exemption certificates issued by other states are not valid in Kansas.
- Retailers are required to maintain a copy of the purchaser's certificate in their records for at least 3 years from the date of purchase. Retailers must maintain a current certificate on file.
- Selling tax exempt goods or services that are not exempt by statute may result in the assessment of tax.
- A completed certificate may be used as a blanket exemption for future purchases when of the same type and for the same exempt purpose.

Seller's name and address _____

Description of goods and/or services purchased _____

For additional information on Kansas sales and use taxes see Publication KS-1510, *Kansas Sales Tax and Compensating Use Tax and Publication KS-1520, Kansas Exemption Certificate*, located at: www.kanvarevenue.org. Questions would be directed to Taxpayer Assistance at 785-368-8222.

PR-98ES (07/09)

**KANSAS DEPARTMENT OF REVENUE
MULTI-JURISDICTION EXEMPTION CERTIFICATE**

NOTE: Check applicable state laws for authority to issue this certificate for the uses indicated below.
Review national tax reporting service publications for information about the states that honor this certificate.

Purchaser: _____
Business Name

Address: _____
Street, RR, or P.O. Box
City
State
Zip + 4

I hereby certify that I am a:

- Wholesaler of: _____
Description of principal product(s)
- Retailer of: _____
Description of principal product(s)
- Manufacturer of: _____
Description of principal product(s)
- Lessor of: _____
Description of principal product(s)
- Other: _____
Description of principal product(s)

and am registered* in the following cities or states:

City or State _____ Registration Number _____
 City or State _____ Registration Number _____

* Wholesalers are not required to register with the Kansas Department of Revenue to collect sales tax unless they make retail sales. Retail sales include sales to employees.

The tangible personal property described below which I am purchasing from:

Seller: _____
Business Name

Address: _____
Street, RR, or P.O. Box
City
State
Zip + 4

will be for wholesale, resale, or as ingredient or component parts of a new product to be resold, leased, or rented in the normal course of my business.

Description of property purchased with this exemption certificate: _____

I further certify that if the property purchased with this certificate is used or consumed so as to make it subject to sales or use tax, I will pay the tax due directly to the proper taxing authority or inform the seller to add tax to the billing. This certificate shall be a part of each order that I may give you in the future and is valid until cancelled by me in writing or revoked by the city or state.

Under the penalties of perjury, I swear or affirm that the information on this form is true and correct as to every material matter.

Authorized Signature: _____ Date: _____

Misuse of this certificate by the seller, lessor, buyer, lessee, or their representative may be punishable by fine, imprisonment, or loss of the right to issue certificates in some cities or states.

CAUTION TO THE SELLER: In order for this certificate to be accepted in good faith, you must exercise care that the property being sold is of a type normally sold wholesale, resold, leased, rented, or used as an ingredient or component part of a product manufactured by the buyer in the usual course of his business. A seller who fails to exercise due care and good judgment in this regard could be held liable for the sales tax due.

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.

ABOUT THE MULTI-JURISDICTION EXEMPTION CERTIFICATE

PURPOSE

The Multi-Jurisdiction Exemption Certificate is used whenever an exempt transaction crosses state lines. In Kansas, it takes the place of a Kansas resale or ingredient or component part exemption certificate when:

- 1) an out-of-state business, taking delivery of inventory or ingredient parts in Kansas, is not registered in Kansas,
OR
- 2) a wholesaler is buying inventory.

A Kansas business buying inventory or ingredient parts in another state may also furnish this certificate to the seller in the other state, subject to the laws of that state.

WHO MAY USE THIS CERTIFICATE?

Businesses and wholesalers from other states that do not have a Kansas sales tax number to furnish for a Kansas ingredient or component part exemption certificate or a Kansas resale exemption certificate must use this certificate to certify that they qualify for these two Kansas exemptions when making purchases in Kansas.

A Kansas wholesaler will use this certificate when buying inventory from either another Kansas business or a business in another state. Wholesalers are not required to obtain a Kansas sales tax number. A Kansas retailer may also use this certificate when purchasing inventory or ingredient or component parts from a retailer or wholesaler in another state.

WHAT PURCHASES ARE EXEMPT?

Only goods and merchandise (tangible personal property) are exempt. To be exempt, the tangible personal property must be for:

- wholesale sale,
- retail sale (resale), rental, or lease,
- an ingredient or component part of a new product to be resold, leased, or rented.

In accepting this certificate, the seller should exercise reasonable care and judgment. The property purchased must be of the type normally sold wholesale or retail, leased or rented, or used as an ingredient or component part of a product manufactured in the customer's usual course of business.

Equipment and fixtures for a business are not exempt. When purchased in Kansas, these items are taxable. When a Kansas business buys equipment or supplies from another state, the Kansas business will owe Consumers' Compensating Use tax on these purchases unless a sales or use tax of at least equal to the Kansas retailers' sales tax rate in effect where the item is used, stored or consumed. See Publication KS-1510, "Kansas Sales and Compensating Use Tax" available on the department's web site.

RETAINING THIS CERTIFICATE: Sellers should retain a completed copy of this certificate in their records for at least three years from the date of sale. A seller is relieved of liability for the tax if it obtains a completed exemption certificate from a purchaser with which the seller has a recurring business relationship. A certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.