



## Form ST-101 Instructions

**1. BUYING FOR RESALE:** Buyers must have an Idaho seller's or E911 fee permit number unless they are wholesalers who make no retail sales or are out-of-state retailers with no Idaho business presence (e.g. physical location, representatives, employees, etc.). An Idaho seller's or E911 fee permit number has nine digits. **For example, 000123456.** If the number contains an inappropriate number, such as a federal Employer Identification Number, the certificate isn't valid. To verify a seller's permit number, contact the Tax Commission or visit our website at [tax.idaho.gov](http://tax.idaho.gov).

**2. PRODUCER EXEMPTIONS:** Businesses that are primarily devoted to producing products for resale can buy goods that are directly and primarily used in the production process without paying tax. Businesses offering the right to fish, hunt birds, or other wildlife as a taxable activity can buy goods that are directly and primarily used in the hunting or fishing activity without paying tax. However, these businesses must pay sales tax on any of the following:

- Transportation equipment and supplies
- Goods used in selling/distribution
- Janitorial or cleaning equipment or supplies
- Maintenance or repair equipment and supplies
- Office equipment and supplies
- Any licensed motor vehicle or trailer and parts
- Aircraft and parts
- Recreational vehicle (e.g. snowmobile, ATV, off-road motorcycle, camper, travel trailer)
- Goods that become improvements to real property (e.g. fence posts)

Loggers, broadcasters, and publishers of newspapers that are free to the public (with at least 10% informational content, not ads) are offered a similar exemption. Sellers must charge tax on purchases of the bulleted items listed above, as well as hand tools with a unit price of \$100 or less.

**Seller:** *You can stamp or print a production exemption statement on the front of your invoice. If customers fill in their exemption claim on a stamped or imprinted statement each time you make an exempt sale to them, you don't have to keep a form ST-101 on file for them. Contact the Tax Commission to get the required language for the exemption statement.*

**3. EXEMPT BUYERS:** These buyers are exempt from tax on all purchases.

**Hospitals:** Only licensed nonprofit hospitals qualify. Nursing homes or similar institutions don't.

**Schools:** Only nonprofit schools qualify, including colleges and universities; primary, secondary, and charter schools; and the Idaho Digital Learning Academy. Schools primarily teaching subjects like business, dancing, dramatics, music, cosmetology, writing, and gymnastics don't qualify. Auxiliary organizations, such

as parent-teacher associations and alumni groups, don't qualify.

**Museums:** Only nonprofit museums qualify. A museum collects, preserves, and displays objects and information to help the public interpret the past and present and to explore the future. Examples include institutions that exhibit science, history, art, and culture.

**Centers for Independent Living:** To qualify, centers must be:

- Nonresidential,
- Nonprofit,
- Run by disabled persons, and
- Provide independent living programs to people with various disabilities.

### **Qualifying Health Organizations:**

American Cancer Society  
American Diabetes Association  
American Heart Association  
American Lung Association  
Idaho Arc, Inc., The  
Arthritis Foundation  
Camp Rainbow Gold  
Children's Home Society of Idaho  
Easter Seals  
Family Services Alliance of Southeast Idaho  
Idaho Community Action Agency  
Idaho Cystic Fibrosis Foundation  
Idaho Diabetes Youth Programs  
Idaho Epilepsy League  
Idaho Primary Care Association and its Community Health Centers  
Idaho Ronald McDonald House  
Idaho Women's and Children's Alliance  
March of Dimes  
Mental Health Association  
Muscular Dystrophy Foundation  
National Multiple Sclerosis Society  
Rocky Mountain Kidney Association  
Special Olympics Idaho  
United Cerebral Palsy

**Government:** Only the federal government and Idaho state, county, and city governments qualify. Sales to other states and their political subdivisions are taxable.

**4. CONTRACTOR EXEMPTIONS:** Three exemptions apply to contractors. In each case, a contractor must list the job location and project owner, and whether the exemption claim applies to a specific invoice or purchase order, or to all purchases for a specific job number.

**Nontaxing State:** Construction materials for a job in a nontaxing state are exempt from Idaho sales tax. This exemption applies only to materials that will become part of real property and only if the contractor isn't subject to a use tax or a similar tax in the other state. Jobs in Oregon, Montana, and Alaska qualify, as do some jobs in Washington.

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**Agricultural Irrigation:** Irrigation equipment and materials for an agricultural irrigation project are exempt. An irrigation system for a golf course or a residence doesn't qualify.

**Production Equipment:** A contractor who installs production equipment for a producer/manufacturer can buy the materials for the equipment exempt from tax. This exemption doesn't apply to materials that become part of real property.

**5. OTHER EXEMPT GOODS AND BUYERS:** If buyers claim an exemption that isn't listed on this form, they must mark the "other" block and list the section of the law that applies to the exemption, or the certificate isn't valid.

**Aircraft Purchased by Nonresidents for Out-of-State Use:** An aircraft sold to a nonresident is exempt if it will be immediately removed from Idaho and registered in another state and won't be stored or used in Idaho more than 90 days in any 12-month period. Repair parts installed on a nonresident's aircraft by an FAA-approved Idaho repair station are also exempt. Aircraft kits and hang gliders don't qualify for this exemption. A business is a "nonresident" if it has no business presence in Idaho. A business with property in Idaho or employees working in the state doesn't qualify.

**Aircraft Primarily Used to Transport Passengers or Freight for Hire:** Only aircraft purchased by an airline, charter service, air ambulance service, or air freight company qualify. Parts for the exempt aircraft are also exempt. Examples of aircraft that don't qualify for this exemption are those used for recreational flights, aerial spraying, dumping, or logging.

**American Indian:** Sales to an enrolled Indian tribal member are exempt if the seller delivers the goods on the reservation. The buyer's Tribal Identification Number is required. For sales of vehicles or boats, use form ST-133, Sales Tax Exemption Certificate - Transfer Affidavit.

**Church:** A church may buy food to sell meals to its members or qualifying goods for its food bank without paying tax. Churches must pay tax on all other goods they buy to use.

**Food Banks and Soup Kitchens:** Food banks and soup kitchens may buy food or other goods used to grow, store, prepare, or serve the food exempt from sales tax. The exemption doesn't include licensed motor vehicles or trailers.

**Heating Fuels:** Heating fuels such as wood, coal, petroleum, propane, and natural gas are exempt when purchased to heat an enclosed building or a building under construction, or when used for cooking or water heating.

**Livestock:** Sales of cattle, sheep, mules, horses, pigs, and goats are exempt when sold at a public livestock market. Sales of other animals don't qualify.

**Medical Items:** Only the following medical goods qualify if a licensed practitioner will administer or distribute them: drugs, oxygen, insulin, syringes, prosthetic devices, durable medical equipment, dental and orthopedic appliances (including fillings), urinary and colostomy supplies, enteral and parenteral feeding equipment and supplies, hemodialysis and peritoneal dialysis drugs and supplies, and chemicals and equipment used to test or monitor blood or urine of a diabetic.

**Pollution Control Items:** The following items qualify: tangible personal property purchased to meet air or water quality standards of a federal or state agency; liners and reagents purchased to meet water quality standards; tangible personal property purchased to meet air or water quality standards and which become an improvement to real property of manufacturing, mining, farming, or toxic waste treatment and storage businesses; and "dry to dry transfer systems" used by the dry cleaning industry. This exemption isn't available for items used in road construction, septic systems, treating drinking water, or preventing soil erosion. Motor vehicles and buildings don't qualify. See Idaho Code section 63-3622X for more details.

**Research and Development (R & D):** Purchases of goods that are directly and primarily used to develop, design, manufacture, process, or fabricate a product or potential product qualify. Also, the Idaho National Laboratory and its contractors may claim an R & D exemption to buy goods directly and primarily used to advance scientific knowledge in areas that don't have a commercial application. Items that will become a part of real property don't qualify.

**Snowmaking/Grooming Equipment, Aerial Tramway:** The owner or operator of a downhill ski area with an aerial passenger tramway may buy parts, materials, and equipment that become component parts of the tramway and snow grooming and snowmaking equipment (and parts) for the slopes exempt from tax. An aerial tramway includes chair lifts, gondolas, T-bar and J-bar lifts, platter lifts, rope tows, and similar devices.