

Instructions

New

Box F – Effective June 1, 2018, mark an **X** in this box for purchases of drugs or medicine that will be used by a person (including a veterinarian performing veterinary services) on livestock or poultry used in farm production. Box F is **not** valid for purchases of drugs or medicine made before June 1, 2018, and the purchaser must use Form AU-11, *Application for Credit or Refund of Sales and Use Tax*, to request a refund or credit of any sales taxes paid for such purchases. For more information, see [TSB-M-18\(1\)S](#), *Summary of Sales and Use Tax Changes Enacted in the 2018-2019 Budget Bill*.

Definitions

Farm production means the production of tangible personal property for sale by farming. *Farming* includes agriculture, horticulture, viniculture, viticulture, aquaculture, silviculture, or floriculture; stock, dairy, poultry, fruit, vegetable, fur bearing animal, graping, truck, and tree farming; ranching; operating nurseries, greenhouses, vineyard trellises, or other similar structures used primarily for the raising of agricultural, horticultural, vinicultural, viticultural, silvicultural, or floricultural commodities; operating orchards; raising, growing, and harvesting crops, livestock, and livestock products; and raising, growing, and harvesting woodland products, including but not limited to timber, logs, lumber, pulpwood, posts, and firewood. Administrative activities that are predominantly related to farm production are considered to be activities of farm production. Farm production begins with the preparation of the soil or other growing medium and, in the case of animals, from the beginning of the life cycle. Production ceases when the product is ready for sale in its natural state; for farm products that will be converted into other products, farm production ceases when the normal development of the farm product has reached a stage where it will be processed or converted into a related product.

Predominantly means more than 50%, measured, for example, by hours of usage or by miles traveled.

Commercial horse boarding operation means an agricultural enterprise of at least **seven** acres and boarding at least 10 horses, regardless of ownership, that receives \$10,000 or more in gross receipts annually from fees generated either through the boarding of horses or through the production for sale of crops, livestock, and livestock products, or through both such boarding and such production. **Under no circumstances shall this include an operation whose primary on-site function is horse racing.**

Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- a penalty equal to 100% of the tax due;
- a \$50 penalty for each fraudulent exemption certificate issued;
- criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- revocation of your *Certificate of Authority*, if you are required to be registered as a vendor. See TSB-M-09(17)S, *Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability*, for more information.

To the seller

When making purchases that qualify for exemption from sales and use tax, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

Failure to collect sales or use tax, as a result of accepting an improperly completed exemption certificate or receiving the certificate more than 90 days after the sale, will make you personally liable for the tax plus any penalty and interest charges due.

If the blanket certificate box is marked, you may consider this certificate part of any order received from the purchaser during the period that the blanket certificate remains in effect. A blanket certificate remains in effect until the purchaser gives you written notice of revocation, or until the Tax Department notifies you that the purchaser may not make exempt purchases.

You must maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

Need help?



Visit our website at **www.tax.ny.gov**

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Sales Tax Information Center:	518-485-2889
To order forms and publications:	518-457-5431
Text Telephone (TTY) or TDD equipment users	Dial 7-1-1 for the New York Relay Service