

## **INSTRUCTIONS ON PROPER USAGE OF EXEMPTION CERTIFICATES**

The Webster Parish Sales & Use Tax Commission provides exemption certificates for use by registered dealers for the purpose of acquiring tangible personal property for resale in the normal course of business. Application for an approval is necessary prior to this office providing the applicant with the necessary and proper certificate.

Once the exemption certificate is received, it should be filed with those vendors from whom your resale inventory is purchased. Dealers are reminded that these exemption certificates are for primary use through wholesale establishments. It should be noted that most retail establishments will not accept exemption certificates. The reason for their non-acceptance is that they do not hold themselves out as being engaged in wholesale activity.

The exemption certificate should be completed to include the vendor to whom it is being issued, as well as covering the property purchased from said vendor which qualifies for exemption treatment. Dealers are reminded that the exemption certificate is not by design for use to purchase tangible personal property which will not be resold, but rather used or consumed in the everyday operations of the business. Such purchases are taxable to the dealer and the applicable taxes either paid to the vendor or accrued and reported under line 14 of your Webster Parish Sales & Use Tax report. Dealers who purchase property or services that are not taxed should self-assess themselves the tax and report it as previously advised.

Also, please note that the exemption certificate granted is valid for only a three year period. It should be renewed at the appropriate time, by submitting a new application outlining any changes in the business operations which could have a direct bearing on the renewal of said exemption certificate.

The execution of this exemption certificate is very critical to the vendors to whom they are presented. Vendors from whom you purchase tangible personal property must charge the local tax in all instances where an exemption certificate has not been furnished. If you are engaged in the sale of tangible personal property, and a customer wishes to make a purchase for resale, then you should ensure that a similar exemption certificate be provided to you by the customer in order that sufficient documentation of the non-taxable transaction is retained in your files for future reference. Any questions that you may have concerning the exemption certificate or its proper use should be directed to the Sales Tax Commission at (318) 377-8948