



Farmer's and Commercial Horse Boarding Operator's Exemption Certificate

Name of seller			Name of purchaser		
Address (number and street)			Address (number and street)		
City, town, or village	State	ZIP code	City, town, or village	State	ZIP code
Commercial horse boarding operator – provide <i>Certificate of Authority</i> number: _____					

Mark an **X** in the applicable box: Single-purchase certificate Blanket certificate

You cannot use this form to purchase motor fuel (gasoline) or diesel motor fuel exempt from tax (see Note below).

I certify that the purchase(s) is (are) exempt from payment of sales and use taxes on the property or service(s) indicated below. The property or service(s) will be used or consumed in farm production or in a commercial horse boarding operation, or in both, in the exempt manner indicated below. (Mark an **X** in applicable box(es).)

- A.** The tangible personal property, whether or not incorporated in a building or structure, will be used or consumed predominantly (more than 50%) either in the production for sale of tangible personal property by farming or in a commercial horse boarding operation, or in both. This includes farming equipment as well as building materials that will be used to erect, install, repair, maintain, or service a building or structure used predominantly either in farm production or in a commercial horse boarding operation, or both.
- B.** The service consists of installing, repairing, maintaining, or servicing exempt tangible personal property used or consumed predominantly either in farm production or in a commercial horse boarding operation, or in both.
- C.** The service consists of repairing, maintaining, or servicing a building, structure, or other real property used or consumed predominantly either in farm production or in a commercial horse boarding operation, or in both.
- D.** The motor vehicle will be used predominantly either in farm production or in a commercial horse boarding operation, or in both.
- E.** The gas (including propane in containers of 100 pounds or more), electricity, refrigeration, or steam, or the gas, electric, refrigeration, or steam service, will be used or consumed either in farm production or in a commercial horse boarding operation, or in both.

Note: To purchase motor fuel (gasoline) or diesel motor fuel exempt from tax:

- Use Form FT-1004, *Certificate for Purchases of Non-Highway Diesel Motor Fuel or Residual Petroleum Product for Farmers and Commercial Horse Boarding Operations*, for certain purchases of diesel motor fuel.
- Use Form FT-420, *Refund Application for Farmers Purchasing Motor Fuel*, to claim a refund of the motor fuel excise tax, the petroleum business tax, and the state and local sales tax on certain purchases.
- Use Form FT-500, *Application for Refund of Sales Tax Paid on Petroleum Products*, to claim a refund of sales tax on certain purchases.

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements and issue this exemption certificate with the knowledge that this document provides evidence that state and local sales or use taxes do not apply to a transaction or transactions for which I tendered this document and that willfully issuing this document with the intent to evade any such tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and a possible jail sentence. I understand that this document is required to be filed with, and delivered to the vendor as agent for the Tax Department for the purposes of Tax Law section 1838 and is deemed a document required to be filed with the Tax Department for the purpose of prosecution of offenses. I also understand that the Tax Department is authorized to investigate the validity of tax exclusions or exemptions claimed and the accuracy of any information entered on this document.

Signature of purchaser or purchaser's representative (give title and relationship)	Date / /
Type or print the name, title, and relationship that appears in the signature box	

This certificate is not valid unless all entries have been completed by the purchaser.

Instructions

Definitions

Farm production means the production of tangible personal property for sale by farming. *Farming* includes agriculture, horticulture, 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, viticultural, 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, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, 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 Web site 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) Hotline (for persons with hearing and speech disabilities using a TTY): (518) 485-5082



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.