New York State Department of Taxation and Finance

New York State and Local Sales and Use Tax

Exempt Use Certificate

ST-121

(1/11)

Pages 1 and 2 must be completed by the purchaser and given to the seller

The purchase I am making is exempt from state and local sales and use taxes because the property or service(s) will be used for the exempt purpose indicated below and as explained in the instructions.

Name of seller			Name of purchaser		
Online Labels, LLC					
Street address			Street address		
2021 E. Lake Mary Blvd.					
City	State	ZIP code	City	State	ZIP code
Sanford	FL	32773			

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

This form cannot be used to purchase motor fuel or diesel motor fuel exempt from tax except as described in the instructions for item U on page 4.

Please read the instructions on pages 3 and 4 for more information on each exemption, and mark an *X* in the applicable box(es) next to the exemption(s) you are claiming.

Part 1 — Exemptions related to production

Purchases described in items A through F are exempt from all state and local sales and use taxes. Except as described in item C, you must have a *Certificate of Authority* to claim the exemptions listed in Part 1.

☐ **A.** Machinery and equipment, parts, tools, and supplies used or consumed in the production of tangible personal property for sale or in the production of gas, electricity, refrigeration, or steam, for sale. Enter *Certificate of Authority* number here _____

☐ **B.** Tangible personal property used or consumed in the production of a film for sale. Enter *Certificate of Authority* number here _____

☐ **C.** Tangible personal property used or consumed in providing telecommunications or Internet access services for sale. Enter *Certificate of Authority* number here _____
If you are engaged exclusively in providing Internet access services for sale, a *Certificate of Authority* is not required when claiming this exemption; however, if you have a *Certificate of Authority,* enter the number in the space provided.

☐ **D.** Machinery, equipment, or other tangible personal property (including parts, tools, and supplies) used or consumed by television or radio broadcasters in the production or transmission of live or recorded programs which are used by the broadcaster for specified purposes. Enter *Certificate of Authority* number here _____

☐ **E.** Purchases of gas or electricity or gas or electric service used to provide gas or electric service consisting of operating a gas pipeline, an electric transmission line, or a gas or electric distribution line. Enter *Certificate of Authority* number here _____

☐ **F.** Purchases of the following used or consumed in the production of tangible personal property (or a film, regardless as to the means by which the film is conveyed) for sale (mark an ***X*** in one or more boxes):

☐ fuel ☐ gas ☐ electricity

☐ refrigeration ☐ steam

☐ gas, electric, refrigeration, or steam service

Enter *Certificate of Authority* number here _____

Purchases described in item G are exempt from all state and local sales and use taxes when delivered or used outside New York City, but subject to New York City local sales and use tax when delivered or used in New York City.

☐ **G.** Purchases of the following used or consumed in the production of gas, electricity, refrigeration, or steam for sale (mark an ***X*** in one or more boxes):

☐ fuel ☐ gas ☐ electricity

☐ refrigeration ☐ steam

☐ gas, electric, refrigeration, or steam service

Enter *Certificate of Authority* number here _____

Note: This certificate is not valid unless the purchaser completes the certification on page 2.

Part 2 — Services exempt from tax (exempt from all state and local sales and use taxes)

Enter *Certificate of Authority* number here (if applicable) _____

☐ **H.** Installing, repairing, maintaining, or servicing qualifying property listed in Part 1, items A through D. Please indicate the type of qualifying property being serviced by marking an ***X*** in the applicable box(es):
A ☐ **B** ☐ **C** ☐ **D** ☐

☐ **I.** Producing, fabricating, processing, printing, and imprinting, including editing, dubbing, and mixing, qualifying property listed in Part 1, items B and D. Please indicate the type of qualifying property being serviced by marking an ***X*** in the applicable box(es): **B** ☐ **D** ☐

☐ **J.** Removal of waste material from a facility regulated by the Department of Environmental Conservation (DEC) as either a transfer station or as a construction and demolition debris processing facility.

Part 3 — Other exemptions

A *Certificate of Authority* is not required when claiming the exemptions described below. However, if you have a *Certificate of Authority*, enter the number here _____

☐ **K.** Tangible personal property used in research and development.

☐ **L.** Purchases of the following used in research and development (mark an ***X*** in one or more boxes):

- ☐ gas
- ☐ electricity
- ☐ refrigeration
- ☐ steam
- ☐ gas, electric, refrigeration, or steam service

☐ **M.** Cartons, containers, and other wrapping and packaging materials and supplies that are actually transferred to the purchaser.

☐ **N.** Certified enhanced emissions inspection equipment for testing and inspecting motor vehicles. **Enter** your inspection station license number here

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☐ **O.** Commercial vessels (including certain property and services).

☐ **P.** Commercial aircraft (including certain machinery and equipment) and flight simulators purchased by commercial airlines.

☐ **Q.** Commercial fishing vessels (including certain property).

☐ **R.** Pollution control equipment.

☐ **S.** Tangible personal property (including lubricants) used in the services of maintenance, service, repair, or installation performed on any aircraft by such person providing such service.

Purchases described in item T are subject to New York City local sales tax.

☐ **T.** Machinery and equipment used directly and predominantly in loading, unloading, and handling cargo at a qualified marine terminal facility in New York City.

☐ **U.** Other — Describe exempt use and identify the section of the Tax Law covering this exemption *(see instructions)*.

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.

Type or print name and title of owner, partner, or authorized person of purchaser	
Signature of owner, partner, or authorized person of purchaser	Date prepared

Instructions

To the purchaser

If you have a valid *Certificate of Authority*, you may use Form ST-121 to purchase, rent, or lease tangible personal property or services exempt from tax to the extent indicated in these instructions. Complete all required entries on the form and give it to the seller.

You may use Form ST-121 as a blanket certificate covering the first and subsequent purchases of the same general type of property or service. However, each subsequent sales slip or purchase invoice (excluding utility bills) based on this blanket certificate must show your name, address, and *Certificate of Authority* identification number.

If you make further purchases from the seller that do not qualify for the exemption, you must pay the appropriate sales tax at the time of purchase.

As used in this document, the term *predominantly* means that the property or service(s) is used more than 50% of the time directly for the purpose stated in the particular section. The term *exclusively* means that the property or service(s) is used 100% of the time directly for the purpose stated in the particular section. The term *primarily* means that the property or service(s) is used 50% or more of the time directly for the purpose stated in the particular section.

Part 1 — Exemptions related to production

Except as described in item C, you must have a *Certificate of Authority* to claim the exemptions listed in Part 1.

A — You may purchase, exempt from tax, machinery and equipment, including parts, tools, and supplies, used or consumed **directly** and **predominantly** in the production of tangible personal property, gas, electricity, refrigeration, or steam for sale by manufacturing, processing, generating, assembling, refining, mining, or extracting. For more information on these various production exemptions, see Publication 852, *Sales Tax Information for: Manufacturers, Processors, Generators, Assemblers, Refiners, Miners and Extractors, and Other Producers of Goods and Merchandise*.

B — You may purchase, exempt from tax, tangible personal property used **directly** and **predominantly** in the production (including editing, dubbing, and mixing) of a film for sale regardless of the medium by which the film is conveyed to the purchaser. (For purposes of this exemption, the term *film* means feature films, documentary films, shorts, television films, television commercials, and similar productions.)

C — You may purchase, exempt from tax, tangible personal property used **directly** and **predominantly** in the receiving, initiating, amplifying, processing, transmitting, retransmitting, switching, or monitoring of switching of telecommunications services for sale, or Internet access services for sale, or any combination of the two services. If you are engaged exclusively in providing Internet access services for sale, a *Certificate of Authority* is not required when claiming this exemption; however, if you have a *Certificate of Authority,* enter the number in the space provided on page 1.

D — You may purchase, exempt from tax, machinery, equipment, or other tangible personal property (including parts, tools, and supplies) used or consumed by television or radio broadcasters **directly** and **predominantly** in the production (including post-production) of live or recorded programs which are used or consumed by a broadcaster predominantly for the purpose of broadcast over the air by the broadcaster or for transmission through a cable television or direct-broadcast satellite system by the broadcaster. You may also purchase, exempt from tax, machinery, equipment, and other tangible personal property (including parts, tools, and supplies) used or consumed **directly** and **predominantly** in the transmission of live or recorded programs over the air or through a cable television or direct-broadcast satellite system by the broadcaster. Tangible personal property purchased by a broadcaster (lessor) for lease to another person (lessee) for that person's use or consumption directly and predominantly in the production (including post production) of live or recorded programs by the person will be deemed to be used or consumed by the lessor broadcaster for purposes of determining whether the lessor broadcaster has met the direct and predominant use requirement of the exemption described in the above sentence. (For more information concerning this exemption, see TSB-M-00(6)S, *Summary of the 2000 Sales and Compensating Use Tax Budget Legislation.*)

E — You may purchase, exempt from tax, gas or electricity or gas or electric service used or consumed **directly** and **exclusively** to provide gas or electric service of whatever nature consisting of operating a gas pipeline, a gas distribution line, or an electric transmission or distribution line or to ensure the necessary working pressure in an underground gas storage facility.

F —You may purchase, exempt from tax, fuel, gas, electricity, refrigeration, and steam and gas, electric, refrigeration, and steam service used or consumed **directly** and **exclusively** in the production of tangible personal property (or a film, regardless as to the means by which the film is conveyed) for sale, by manufacturing, processing, assembling, generating, refining, mining, or extracting. You must pay any state and local taxes due on any part of any fuel or utility service not used directly and exclusively for an exempt purpose. For example, electricity purchased solely to light a factory must be purchased tax paid, but electricity used for both an exempt purpose and a taxable purpose may be purchased exempt from tax. However, you must report the tax due on the electricity used for the taxable purpose on your sales and use tax return as a purchase subject to tax.

G —You may purchase, exempt from tax (except for the local tax imposed on sales and uses in New York City), fuel, gas, electricity, refrigeration, and steam and gas, electric, refrigeration, and steam service used or consumed **directly** and **exclusively** in the production of gas, electricity, refrigeration, and steam for sale by manufacturing, processing, assembling, generating, refining, mining, or extracting. You must pay any state and local taxes due on any part of any fuel or utility service not used directly and exclusively for an exempt purpose.

Part 2 — Services exempt from tax

H — You may purchase the services of installing, repairing, maintaining, and servicing qualifying property listed in Part 1, items A through D, exempt from tax.

I — You may purchase the services of producing, fabricating, processing, printing, and imprinting, including editing, dubbing, and mixing, qualifying property listed in Part 1, items B and D, exempt from tax.

J — If you are a facility regulated by the DEC as either a transfer station or construction and demolition debris processing facility, you may purchase the service of waste removal exempt from tax, provided that the waste is not generated by your facility. Under the DEC regulations, a *transfer station* is defined generally as a solid waste management facility other than a recyclables handling and recovery facility, used oil facility, or a construction and demolition debris processing facility, where solid waste is received for the purpose of subsequent transfer to another solid waste management facility for further processing, treating, transfer, or disposal. A *construction and demolition debris processing facility* is a processing facility that receives and processes construction and demolition debris by any means.

Part 3 — Other exemptions

A *Certificate of Authority* is not required when claiming the exemptions described in Part 3 on page 2. However, if you have a *Certificate of Authority*, enter the number in the space provided on page 2.

K — Tangible personal property used or consumed **directly** and **predominantly** in research and development in the experimental or laboratory sense is exempt from tax.

L — Gas, electricity, refrigeration, and steam, and gas, electric, refrigeration, and steam service used or consumed **directly** and **exclusively** in research and development in the experimental or laboratory sense may be purchased exempt from tax.

Research and development does not include the ordinary testing or inspection of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions, or research in connection with literary, historical, or similar projects.

M—Vendors may purchase, exempt from tax, cartons, containers, and other wrapping and packaging materials and supplies and components thereof used to package tangible personal property for sale if the property is actually transferred by the vendor to the purchaser of the property.

N — Enhanced emissions inspection equipment certified by the DEC for use in testing and inspecting motor vehicles as part of the enhanced emissions inspection and maintenance program required by the Federal Clean Air Act and the New York State Clean Air Compliance Act may be purchased without payment of tax. To qualify for the exemption, the equipment must be purchased and used by an official inspection station which is licensed by the Department of Motor Vehicles and authorized to conduct enhanced emissions inspections. (For more

information about enhanced emissions inspection equipment, see TSB-M-97(8)S, *Enhanced Emissions Inspection Equipment.*)

O — Commercial vessels, including property used by or purchased for the use of these vessels for fuel, provisions, supplies, maintenance, and repairs, and the services of installing, maintaining, servicing, or repairing these vessels or property, may be purchased exempt from tax. To qualify for the exemption, the commercial vessel must be **primarily** engaged in interstate or foreign commerce. The exemption does **not** apply to property purchased for or used in the original equipping of a new ship, or to the services of installing this property in the equipping of a new ship. (For the definition of commercial vessels and other information concerning this exemption, see TSB-M-96(14)S, *Tax Law Defines Commercial Vessels and Commercial Aircraft.*)

P — Commercial aircraft and machinery or equipment to be installed on this aircraft, property used for maintenance or repair of this aircraft, and flight simulators purchased by commercial airlines may be purchased exempt from tax. To qualify for the exemption, the commercial aircraft must be **primarily** engaged in intrastate, interstate, or foreign commerce. (For the definition of commercial aircraft and other information concerning this exemption, see TSB-M-96(14)S.)

Q — Commercial fishing vessels used **directly** and **predominantly** in the harvesting of fish for sale (other than sport fishing vessels), including property used by or purchased for the use of these vessels for fuel, provisions, supplies, maintenance, and repairs may be purchased exempt from tax. (For the definition of commercial fishing vessels and other information concerning this exemption, see TSB-M-85(17)S, *1985 Legislation - Chapter 799 Sales Tax Exemption for Commercial Fishing Vessels.*)

R — If not otherwise exempt, machinery and equipment used **directly** and **predominantly** in the control, prevention, or abatement of pollution or contaminants from manufacturing or industrial facilities may be purchased exempt from tax.

S — Tangible personal property purchased and used in the services of maintenance, service, repair or installation performed on any aircraft, where such property is purchased by the person providing such services and it becomes a physical component part of the aircraft or is a lubricant applied to the aircraft, is exempt from tax.

T — Machinery and equipment used at qualified marine terminal facilities located in New York City. The machinery and equipment must be used directly and predominantly in loading, unloading, and handling cargo at marine terminal facilities located in New York City which handled more than 350,000 twenty foot equivalent units (TEUs) in 2003. For purposes of this exemption, the term *TEU* means a unit of volume equivalent to the volume of a twenty-foot container. This exemption does **not** apply to the local tax in New York City.

U — Use this line to claim exemption from all sales and use taxes on qualified tangible personal property or services not otherwise specified in this certificate. Describe the exempt use of the tangible personal property or service being purchased, and identify the applicable section of the Tax Law under which you claim exemption.

If you are purchasing motor fuel or diesel motor fuel eligible to be taxed on a cents-per-gallon basis, write ***Tax Law section 1111(m) qualified fuel taxed using the cents-per-gallon method*** in the space provided. See TSB-M-06(8)S, *New Guidelines on the Sales of Motor Fuel and Diesel Motor Fuel Subject to the Cents-Per-Gallon Sales Tax,* for additional information.

Line access services purchased by an Internet Service Provider (ISP) and used for transmission between the ISP point of presence and the public Internet for the purpose of connecting the ISP's customers to the Internet are purchases of interstate or international telephony and thus are not subject to sales tax. If you are an ISP purchasing line access services to use in this manner, write ***telecommunications services used by an ISP to provide Internet access originating with the ISP point of presence (Tax Law section 1105 (b)(1))*** in the space provided. See TSB-M-07(2)S, *Sales Tax Treatment of Telecommunications Services Purchased By an Internet Service Provider,* for additional information.

Certain military decorations, including ribbons, medals, mini-medals, and lapel pins, are exempt from sales tax when sold to an active member or a veteran of the United States military. If you are purchasing tax-exempt military decorations, write ***military decoration – Tax Law section 1115 (a)(11-a)*** in the space provided. The Tax Law provides that you must also show the vendor your military identification or other documentation (such as discharge papers) as proof of current military service or veteran status. However, the vendor is not required to retain a copy of this proof.

To the seller

The purchaser must give you Form ST-121 with all entries completed no later than 90 days after delivery of the property, or the sale will be deemed to have been taxable at the time of the transaction. If you receive the certificate after the 90-day period, both you and the purchaser assume the burden of proving the sale was exempt, and additional substantiation may be required.

In addition, if you fail to collect tax as a result of accepting an improperly completed exemption certificate, you become personally liable for the tax plus any penalty and interest charges due, unless the certificate is corrected within a reasonable period of time or you otherwise prove that the transaction was not subject to tax. You must keep any exemption certificate you receive for at least three years after the due date of the last return to which it relates, or the date the return is filed, if later. You must also maintain a method of associating an exempt sale made to a particular customer with the exemption certificate you have on file for that customer.

If the *Blanket certificate* box is marked on page 1, you may consider this certificate part of any order received from the purchaser during the period that the blanket certificate remains in effect. However, each subsequent sales slip or purchase invoice based on this blanket certificate must show the purchaser's name and address. A blanket certificate remains in effect until the purchaser gives you written notice of revocation, or you have knowledge that the certificate is false or was fraudulently presented, or until the Tax Department notifies you that the purchaser may not make exempt purchases.

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.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?

Internet access: *www.tax.ny.gov*
(for information, forms, and publications)

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