



Exemption Certificate for Purchases of Promotional Materials State and Local Sales and Use Tax

To be completed by the purchaser and given to the seller. Complete all required entries (see instructions).

Form with fields for Name of seller, Name of purchaser, Street address, City, State, ZIP code, and Purchaser's sales tax ID number.

Mark an X in one box: [] Single purchase certificate [] Blanket certificate

For Parts 1, 2, 3, and 4, enter the percentage of the purchase that qualifies as tax exempt. Do not enter an amount greater than what you know to be exempt. If the total purchase is exempt, enter 100.

Exempt percentage

Part 1 - Purchases of promotional materials

- A Printed promotional materials where the purchaser of the promotional materials mails or ships those promotional materials...
B Promotional materials upon which producing, fabricating, processing, printing, or imprinting services have been directly performed...
C Promotional materials mailed, shipped, or otherwise distributed from a point within the state...

Part 2 - Purchases of services to exempt promotional materials

- D Producing, fabricating, processing, printing, or imprinting services performed on promotional materials exempt under A or B...
E Information services or services of producing, fabricating, processing, printing, or imprinting relating to mailing lists...

Part 3 - Purchases of the service of storing exempt promotional materials

- F Storage provided by the same vendor who sold promotional materials exempt under A or B and the purchaser of the storing service is the purchaser of such exempt promotional materials...
G Storage provided by the same vendor who rendered services exempt under D or E, for promotional materials exempt under A or B...

Part 4 - Purchases of mechanicals, layouts, artwork, etc.

- H Mechanicals, layouts, artwork, photographs, color separations and like property purchased, manufactured, processed or assembled by a person who furnishes such property to a printer and the printer uses such property directly and predominantly to produce promotional materials exempt under A or B...

Certification

I certify that the above statements are true and correct. I make these statements with the knowledge that knowingly making a false or fraudulent statement on this document is a misdemeanor under Tax Law section 1817, and Penal Law section 210.45, punishable by imprisonment for up to a year, and a fine of up to \$10,000 for an individual or \$20,000 for a corporation.

Form with fields for Purchaser's name and title, Purchaser's signature, and Date.

Instructions

Who should use this form

If you are purchasing promotional materials, or services relating to promotional materials, you must complete this form and give it to the seller to certify the percentage of the purchase that is exempt from sales tax. *Promotional materials* include any advertising literature such as catalogs and brochures, and related tangible personal property (for example, annual reports, complimentary maps, other free gifts, applications, and order forms), and the envelopes used exclusively to deliver the promotional materials. Account statements, invoices, or the envelopes used to deliver them are not promotional materials.

Purchaser's sales tax vendor ID number

If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this form. If you are required to be registered, you must be registered before using this form. If you are not required to be registered, enter *N/A*.

Percentage

Enter the percentage of the purchase that qualifies as tax exempt for each category of exempt promotional materials and services you are purchasing. If you estimate too high a percentage as exempt, you must pay tax on the portion that turns out to be taxable. If you marked an **X** in the *Blanket certificate* box, you should periodically review the percentage(s). If any percentage changes, you must issue a new blanket certificate. The new blanket certificate covers subsequent purchases, and remains in effect until the percentages change again and you issue a newer certificate.

If you cannot, in good faith, determine the exempt percentage, you must pay tax at the time of purchase and request a refund.

Part 1 – Purchases of promotional materials

Printed promotional materials include any printed materials such as catalogs, literature, and related tangible personal property (such as complimentary maps, applications, and order forms), and the envelopes used exclusively to deliver the promotional materials.

Part 2 – Purchases of services to exempt promotional materials

Other purchases exempt from sales tax include information sold in the form of printed matter relating to mailing lists, including merging names, labeling envelopes, and similar services when sold in conjunction with qualifying exempt promotional materials.

Part 3 – Purchases of the service of storing exempt promotional materials

The purchaser of promotional materials exempt as described in Part 1, paragraph B or C may also purchase certain storage charges exempt from tax if the charges are for storing exempt promotional materials and the storage is provided by the same vendor who sold the exempt printed promotional materials, or by the same vendor who rendered exempt services to the promotional materials, as described above. Storage of other promotional materials is taxable.

Part 4 – Purchases of mechanicals, layouts, artwork, etc.

The paper, ink, artwork, mechanicals, and other supplies used to produce promotional materials exempt under *A* or *B* also qualify for tax exemption.

For more information on the production and use of promotional materials, see TSB-M-97(6)S, *Expanded Sales and Compensating Use Tax Exemption for Promotional Materials*, and TSB-M-01(4)S, *Summary of Recently Enacted Sales and Use Tax Legislation*.

Exemption of free gifts

Free gifts are not exempt promotional materials unless one of the following applies:

- (1) they are shipped out of state, or
- (2) they are printed materials or promotional materials upon which producing, fabricating, processing, printing, or imprinting services have been directly performed and the purchaser of the gifts mails or ships them, or causes them to be mailed or

shipped, to its customers or prospective customers, without charge to such customers or prospective customers, by means of a common carrier, United States postal service or like delivery service.

Penalties for misuse of this certificate

Any person who uses this certificate to exempt the purchase of nonqualifying items or services, or who issues a false or fraudulent Form ST-121.2, may be liable for penalties and interest in addition to the tax initially due. Penalties may include:

- 100% of the tax due;
- a \$50 penalty for each fraudulent exemption certificate issued;
- a misdemeanor penalty, consisting of fines not to exceed \$10,000 for an individual, or \$20,000 for a corporation; and
- revocation of your *Certificate of Authority*, if you are required to be registered for sales tax purposes.





To the seller

The purchaser must give you a completed Form ST-121.2 no later than 90 days after delivery of the property or services, or the sale will be deemed to have been taxable at the time of the transaction. If you receive the certificate after 90 days, both you and the purchaser assume the burden of proving the sale was exempt, and we may require additional substantiation.

If you fail to collect tax as a result of accepting an improperly completed Form ST-121.2, you become personally liable for the tax, plus any penalty and interest 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 received for at least three years after the due date of the last tax 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 you marked an **X** in the *Blanket certificate* box, you may consider this form 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 form is false or was fraudulently presented, or until the Tax Department notifies you that the purchaser may no longer make exempt purchases.

Need help?

	Internet access: www.nystax.gov (for information, forms, and publications)	
	Fax-on-demand forms:	1 800 748-3676
	Sales Tax Information Center:	(518) 485-2889
	In-state callers without free long distance:	1 800 698-2909
	To order forms and publications:	(518) 457-5431
	In-state callers without free long distance:	1 800 462-8100
	Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY):	1 800 634-2110

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.