



**BRITISH
COLUMBIA**

Ministry of
Provincial Revenue
Consumer Taxation Branch

**CERTIFICATE OF EXEMPTION
PRODUCTION MACHINERY AND
EQUIPMENT**
Social Service Tax Act

Completion of this certificate entitles a manufacturer or other qualifying purchaser or lessee to purchase or lease eligible production machinery and equipment, or taxable services provided to such equipment, without paying social service tax when purchased for an eligible purpose pursuant to Section 76(1)(k) of the *Social Service Tax Act*, and Division 13 of the regulation to the Act.

Name of Corporation, Association, all Partners, or Proprietor - Please Print

do hereby certify that (please check appropriate box):

- I am an eligible manufacturer (see reverse) of _____
(type of goods manufactured)
- I regularly engage in logging for commercial purposes (see reverse)
- I regularly engage in exploration or discovery of petroleum or natural gas, or of coal or mineral deposits for commercial purposes

and that the production machinery and equipment or taxable services described below are acquired for an exempt use (see reverse).

Name and address of seller, lessor or person providing taxable services: _____

Description of items purchased or leased, or equipment for which taxable services are provided: _____

WARNING: Where it can be established that a false statement was made that resulted in the non-payment of tax, the *Social Service Tax Act* imposes a penalty of 25% of the tax due, in addition to an assessment for the tax that should have been paid.

PRINT NAME OF PURCHASER/LESSEE	SIGNATURE	DATE SIGNED	Registration Number <small>(if applicable)</small>
ADDRESS		POSTAL CODE	TELEPHONE NO. AREA CODE

CERTIFICATE OF EXEMPTION PRODUCTION MACHINERY AND EQUIPMENT

For more information please visit the Consumer Taxation Branch Web site at www.rev.gov.bc.ca/ctb and follow the links to the Machinery and Equipment page.

INSTRUCTIONS

The seller or lessor must retain the completed certificate to substantiate the non-collection of social service tax on the sale or lease. Future sales or leases of the same items or taxable services to the same purchaser or lessee may be made without collection of tax on the strength of this certificate.

THE SOCIAL SERVICE TAX ACT TAKES PRECEDENCE

This form is provided for recording the details of an exempt sale. Although detailed information is provided below, the final determination of whether a person qualifies to make an exempt purchase, or whether an item qualifies for an exemption, lies with the *Social Service Tax Act*.

ELIGIBLE MANUFACTURER

A person who fabricates, manufactures, processes or produces tangible personal property for sale, lease or own use, PROVIDED there is a reasonable expectation that the total sales or manufactured cost of such property will exceed \$30,000 per year. A manufacturer includes operating mines as well as petroleum and natural gas processors (*Social Service Tax Act*, Regulation 13.1).

LOGGING

Logging means the felling and bucking of trees, skidding or otherwise moving trees to the landing or other first point of accumulation, or the loading, unloading, sorting or storing of trees or logs at landings, log dumps, sort yards, dry-land sorts, booming grounds, or mill yards. Logging does not include silviculture or the construction and maintenance of landings, log haul roads, or other roads (*Social Service Tax Act*, Regulation 13.1).

EXEMPT USE

- Used primarily and directly to manufacture tangible personal property for sale, lease or own use within a manufacturing site, mine site, or at a well head, gas processing plant or petroleum refinery, as established under regulation 13.2.
- Equipment prescribed under regulation 13.3 to be used exclusively and directly in logging.
- Equipment prescribed under regulation 13.4 to be used exclusively and directly in the exploration and development of petroleum or natural gas deposits.
- Equipment prescribed under regulation 13.5 to be used exclusively and directly in the exploration and development of coal or mineral deposits.

If there is any change in use of an item that was purchased exempt from tax to a use that does not qualify for the exemption, tax is payable as prescribed under the Act.

NOTICE

Freedom of Information and Protection of Privacy Act - The personal information requested is collected under the authority of and used for the purpose of administering the *Social Service Tax Act*. Questions about how the *Freedom of Information and Protection of Privacy Act* applies to this personal information can be directed to the Tax Analyst at (250) 356-7342, Consumer Taxation Branch, PO Box 9442 Stn Prov Govt, Victoria BC V9W 9V4.