

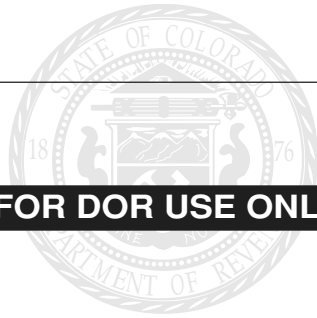


# COLORADO MACHINERY AND MACHINE TOOLS STATE SALES TAX EXEMPTION AGREEMENT

**To qualify for the exemption certificate the taxpayer (purchaser) of the machinery or tools must:**

- Anticipate filing annually more than 100 Machinery and Machine Tool Exemption forms (DR 1191's).
- Maintain sales invoices with a description of item(s) including machine parts (after 01/01/88) and indicate how the machine(s) or machine part(s) are used in manufacturing.
- Acknowledge receipt of and agree to comply with all instructions for using Colorado Machinery and Machine Tools Sales Tax Exemption Agreement.

Company Name	Account Number	Date
Location Address	City	State ZIP
Mailing Address	City	State ZIP
Type of Business		
Phone Number	FAX Number	
<p><b>I declare under penalty of perjury in the second degree that I am a duly authorized officer of the corporation for which Exemption Agreement is requested and that I am acting in my official capacity in making this request.</b></p>		
Name	Title	
Signature	Date	
<b>FOR DOR USE ONLY</b>		
Approved By	Date	



## INSTRUCTIONS FOR USING COLORADO MACHINERY AND MACHINE TOOLS SALES TAX EXEMPTION AGREEMENT

1. Taxpayer currently files more than 100 Machinery and Machine Tool Exemption forms (DR 1191's) per year. Taxpayer elects to use this alternative method of meeting Machinery and Machine Tool responsibilities by completing and signing the "Colorado Machinery and Machine Tools State Sales Tax Exemption Agreement". This agreement is then sent to the Colorado Department of Revenue for approval. Once approved the Department will return a signed copy of the agreement to the taxpayer.

the sales invoice. It should be noted by the purchaser that inclusion of the purchasers Colorado account number on the purchase order removes any sales tax liability from the seller. The purchaser is liable for any subsequent sales tax liability for the purchase.
2. Taxpayer may photocopy this agreement and send this photocopy along with purchase order (excluding blanket or open purchase orders) for machinery and machine tools qualifying for exemption from Colorado State sales tax. Seller will type or write purchasers Colorado account number on the sales invoice. It should be noted by the purchaser that inclusion of this photocopy removes any sales tax liability from the seller. The purchaser is liable for any subsequent sales tax liability for the purchase.
3. If taxpayer routinely purchases from a vendor a photocopy of the agreement may be kept on file by the vendor. The purchaser can then purchase machinery and machine tools, qualifying for exemption of Colorado State sales tax by indicating on the purchase order "exempt sale - Colorado State Sales Tax Account #XX-XXXXX" (excludes blanket or open purchase orders). Seller will type or write purchasers Colorado account number on
4. Taxpayer will include a description of item(s) including machine parts (after 01/01/88) and how this Machine(s) or Machine part(s) is used in manufacturing on either the purchase order or the sales invoice. If the description is entered on the purchase order then the purchase order or a photocopy of the purchase order must be attached to the sales invoice and maintained in the sales invoice file.
5. Taxpayer agrees to maintain the sales invoices and purchase order records in accordance with Colorado Statutory requirements.
6. This alternative method will not require purchaser to file any documents with the Department of Revenue. Should purchaser be audited all required information will be available within the taxpayer's sales invoice file.
7. The Colorado Department of Revenue may revoke taxpayer's Colorado Machinery and Machine Tools Sales Tax Exemption Agreement if taxpayer is abusing the privilege of using this alternative method.

**NOTE:** Cities and counties may or may not exempt manufacturing equipment from local sales taxes. Refer to publication DRP 1002 for a list of localities that exempt this equipment from local tax. The Regional Transportation District, Cultural District, Football District (RTD/CD/FD) imposes a sales tax on manufacturing equipment, but cannot impose a use tax on the equipment.