Department of Taxation and Finance
New York State and Local Sales and Use Tax

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

ST-125 (6/18)

Name of seller	Name of purchaser
Melzer's Fuel Service, Inc	
Address *(number and street)*: 755 E ERIE STREET	Address *(number and street)*:
City, town, or village: Painesville — State: OH — ZIP code: 44077	City, town, or village: — State: — ZIP code:

Commercial horse boarding operator – provide *Certificate of Authority* 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 any applicable boxes.

☐ **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.

☐ **F.** The drugs or medicine will be used by a person (including a veterinarian performing veterinary services) on livestock or poultry used in farm production. **Note:** This box is valid only for purchases on or after June 1, 2018 *(see instructions).*

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

New

Box F – Effective June 1, 2018, mark an ***X*** in this box for purchases of drugs or medicine that will be used by a person (including a veterinarian performing veterinary services) on livestock or poultry used in farm production. Box F is **not** valid for purchases of drugs or medicine made before June 1, 2018, and the purchaser must use Form AU-11, *Application for Credit or Refund of Sales and Use Tax*, to request a refund or credit of any sales taxes paid for such purchases. For more information, see TSB-M-18(1)S, *Summary of Sales and Use Tax Changes Enacted in the 2018-2019 Budget Bill.*

Definitions

Farm production means the production of tangible personal property for sale by farming. *Farming* includes agriculture, horticulture, viniculture, 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, vinicultural, 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 for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, 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 website 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) or TDD equipment users	Dial 7-1-1 for the New York Relay Service

Department of Taxation and Finance

Certificate for Purchases of Non-Highway Diesel Motor Fuel or Residual Petroleum Product for Farmers and Commercial Horse Boarding Operations

FT-1004 (11/18)

Purchasers and sellers: Carefully read the information on page 2 of this form and the certifications below before giving or accepting this certificate.

Sellers: You must collect the applicable taxes on the sale of diesel motor fuel or residual petroleum product unless the purchaser gives you a properly completed exemption document no later than 90 days after the delivery of the product sold. Keep the certificate for at least three years from the last sale covered by this certificate.

Purchasers: Complete this certificate and give it to the seller.

Type or print

Name of seller			Name of farmer or commercial horse boarding operator		
Melzer's Fuel Service, Inc					
Street address			Street address		
755 E Erie Street					
City	State	ZIP code	City	State	ZIP code
Painesville	OH	44077			
			Employer identification number (EIN)		

☐ **Single-purchase certificate** – enter invoice number ____________________ and number of gallons ______________________ .

☐ **Blanket certificate** – will be considered part of any order given and will remain in effect until revoked by written notice from the purchaser or until the Tax Department notifies you that the purchaser may not make exempt purchases. It covers only the types of purchases marked below. If the conditions change for any of the boxes marked below (a, b, c, or d), complete a new Form FT-1004 to cover the new types of purchases.

Part 1 – For non-highway diesel motor fuel purchases only *(mark an **X** in box a or b)*

a ☐ I certify that ______ % of the non-highway diesel motor fuel will be consumed **directly and exclusively** in the production of tangible personal property for sale by farming, and all of the non-highway diesel motor fuel covered by this certificate **will be delivered to my farm site,** and will not be consumed on the public highways of this state except to reach adjacent farmlands (exempt from diesel motor fuel tax, petroleum business tax, and sales tax).

b ☐ I certify that ______ % of the non-highway diesel motor fuel will be used or consumed either in the production of tangible personal property for sale by farming or in a commercial horse boarding operation (see definition on back), or in both, and will not be consumed on the public highways of this state except to reach adjacent farmlands or adjacent lands used in a commercial horse boarding operation, or both (subject to petroleum business tax at the commercial gallonage rate, but exempt from diesel motor fuel tax and sales tax).

Part 2 – For residual petroleum product purchases only *(mark an **X** in box c or d)*

c ☐ I certify that ______ % of the residual petroleum product will be used or consumed **directly and exclusively** in the production of tangible personal property for sale by farming, and all of the residual petroleum product covered by this certificate will be delivered to my farm site (exempt from petroleum business tax and sales tax).

d ☐ I certify that ______ % of the residual petroleum product will be used or consumed in the production of tangible personal property for sale by farming or in a commercial horse boarding operation (see definition on back), or both (exempt from sales tax, but subject to petroleum business tax at the commercial gallonage rate).

Certification: I certify that the above statements are true, complete, and correct, and that no material information has been omitted. I make these statements with the knowledge that willfully providing false or fraudulent information with the intent to evade tax may constitute a felony or other crime under New York State Law, punishable by a substantial fine and possible jail sentence. I understand that the vendor is required to collect such applicable taxes from me unless I properly furnish this certificate to the vendor and that the vendor must retain this certificate and make it available to the Tax Department upon request. I also understand that the Tax Department is authorized to investigate the validity and accuracy of any information entered on this document.

Type or print name of farmer, commercial horse boarding operator, or representative	
Signature of farmer, commercial horse boarding operator, or representative	Date

Instructions

General information

This form may be used by farmers and commercial horse boarding operators to purchase diesel motor fuel and residual petroleum product exempt from diesel motor fuel tax, petroleum business tax, and state and local sales taxes.

Definitions

Farming includes agriculture, floriculture, horticulture, aquaculture, and silviculture; stock, dairy, poultry, fruit, fur bearing animal, truck, and tree farming; ranching; graping; operating nurseries, greenhouses, vineyard trellises, or other similar structures used primarily for the raising of agricultural, horticultural, vinicultural, viticultural, floricultural, or silvicultural commodities; operating orchards; raising, growing, and harvesting crops, livestock, and livestock products, as defined in subdivision 2 of section 301 of the Agriculture and Markets Law; and raising, growing, and harvesting woodland products, including, but not limited to, timber, logs, lumber, pulpwood, posts, and firewood.

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
- the production for sale of crops, livestock, and livestock products; or
- both.

Under no circumstances shall this be construed to include operations whose primary on-site function is horse racing.

Diesel motor fuel means No. 1 diesel fuel, No. 2 diesel fuel, biodiesel, kerosene, fuel oil or other middle distillate and also motor fuel suitable for use in the operation of an engine of the diesel type. Diesel motor fuel does not include any product specifically designated No. 4 diesel fuel.

Non-highway diesel motor fuel means any diesel motor fuel that is designated for use other than on a public highway (except for the use of the public highway by farmers to reach adjacent lands), and is dyed diesel motor fuel.

Highway diesel motor fuel means any diesel motor fuel which is not non-highway diesel motor fuel.

Dyed diesel motor fuel means diesel motor fuel which has been dyed in accordance with and for the purpose of complying with 26 USC 4082(a).

To the farmer or commercial horse boarding operator

This is the only certificate you may use to purchase, exempt from diesel motor fuel tax, petroleum business tax, or sales tax, non-highway diesel motor fuel or residual petroleum product for use in the production of tangible personal property for sale by farming or for use in a commercial horse boarding operation, or both.

If you are a commercial fisherman, you may not use this form. You must pay the tax and apply for a refund (see Form AU-631, *Claim for Refund/Reimbursement of Taxes Paid on Fuel Used in a Vessel Engaged in Commercial Fishing)*.

Boxes a and c – The exemption for farmers from petroleum business tax imposed on purchases of non-highway diesel motor fuel, or from petroleum business tax imposed on purchases of residual petroleum product, is limited to fuel used or consumed directly and exclusively in the production phase of farming. Purchases for use in administration, storage, or marketing, or for use indirectly in farming, do not qualify.

Boxes b and d – The exemption for farmers and commercial horse boarding operators from sales tax does not require the fuel to be used directly and exclusively in farm production or commercial horse boarding operations. The fuel must be used or consumed in the production of tangible personal property for sale by farming or in a commercial horse boarding operation, or both.

For the exemption from diesel motor fuel tax, the non-highway diesel motor fuel must not be used on the public highways of New York except to reach adjacent farmlands.

Note: Kerosene is exempt from petroleum business tax if it is not blended or mixed with any other product constituting diesel motor fuel, motor fuel, or residual petroleum product, and is not sold or used in a motor vehicle.

Seller

You must be registered as a distributor of diesel motor fuel or as a retailer of non-highway diesel motor fuel only to sell non-highway diesel motor fuel for use directly and exclusively in the production of tangible personal property by farming (boxes a and b).

To sell residual petroleum product, you must be registered as a residual petroleum product business (boxes c and d).

If all entries have been completed and the certificate has been signed by the purchaser (or representative), you may accept the certificate in lieu of collecting tax on your sale of the fuel type described in the boxes marked.

The farmer or commercial horse boarding operator must give you an exemption certificate with all entries completed no later than 90 days after the delivery of the non-highway diesel motor fuel or residual petroleum product. Otherwise, the sale will be considered to have been taxable at the time the transaction took place. If, within the 90 days, you are given an exemption certificate that is deficient (for example, some required entries are left blank), it will be considered satisfactory if the deficiency is corrected within a reasonable period of time. If you do not receive the certificate within the 90 days, you will share with the purchaser the burden of proving the sale was exempt.

You must keep this exemption certificate for at least three years after either the due date of the last return to which it relates or the date when the return was filed (whichever is 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.

Need help?

WWW

Visit our website at ***www.tax.ny.gov***

- get information and manage your taxes online
- check for new online services and features

Telephone assistance

Miscellaneous Tax Information Center:	518-457-5735
To order forms and publications:	518-457-5431
Text Telephone (TTY) or TDD equipment users	Dial 7-1-1 for the New York Relay Service