

Utility Exemption Questionnaire

Many states provide sales and use tax exemptions for utilities (electricity, natural gas, steam, etc.) used or consumed in the manufacturing or processing of tangible personal property for sale. These exemptions commonly apply to research & development activities as well. Your responses to the questions below will help us determine whether or not your company is taking full advantage of these sales and use tax exemptions.

Does the Business use (circle applicable) electricity, natural gas, steam or other energy sources to power machinery and equipment used in production or research & development?

Yes No

Does the Utility Provider's invoice include a charge for sales tax?

Yes No

If YES, does the Business pay sales tax on the entire invoice amount?

Yes No, what percentage is being taxed _____

Does the Business file sales tax refund claims to recover the tax paid on the exempt amount of energy purchased?

Yes No

If NO, is the Business accruing use tax on the taxable amount of energy being purchased?

Yes No

Percentage of energy use is for exempt production and/or research & development activities:

Electricity _____

Natural Gas _____

Other _____

Does the Business have a utility study or energy assessment documenting the above percentages?

Yes No

Can the Business provide a copy of this study if requested by a State tax auditor?

Yes No

When was the utility study or energy assessment completed? _____

Does the study accurately reflect the current business operations (i.e., have there been changes to machinery & equipment, lighting, HVAC, etc.)?

Yes No