



**TENNESSEE DEPARTMENT OF REVENUE**  
**APPLICATION FOR INDUSTRIAL MACHINERY EXEMPTION**

- 1. INDICATE THE TYPE OF BUSINESS:** ☐ Manufacturer/Processor ☐ Contractor (Contractors must make a separate application for each project.)

Effective date for exemption: \_\_\_\_\_

2. BUSINESS NAME AND EXACT LOCATION	3. LOCATION ADDRESS WHERE MACHINERY WILL BE INSTALLED IF DIFFERENT FROM ITEM 2
BUSINESS NAME	NAME (ENTER LEGAL NAME, IF DIFFERENT)
CONTACT PERSON, PHONE NO. & E-MAIL:	CONTACT PERSON, PHONE NO. , & E-MAIL:
STREET OR HIGHWAY (DO NOT USE P.O. BOX NUMBER OR RURAL ROUTE NUMBER)	STREET OR HIGHWAY (DO NOT USE P.O. BOX NUMBER OR RURAL ROUTE NUMBER)
CITY STATE ZIP CODE	CITY STATE ZIP CODE

**SECTION A - TO BE COMPLETED BY MANUFACTURERS AND PROCESSORS**

<p><b>4.</b> Describe the type of product(s) that will be manufactured or processed at this location for resale off the premises. _____</p> <p>Describe the manufacturing or processing work that is performed at this location in accordance with each product manufactured. _____</p> <p>Do you install 51% or more of the products manufactured? <input type="checkbox"/> Yes <input type="checkbox"/> No (See Instructions)</p>	
<p><b>5.</b> Describe the machinery that will be purchased, leased, rented, or repaired that is involved in the manufacturing or processing of the product(s) described above. _____</p>	
<p><b>6.</b> (A) What percent of gross sales are goods purchased ready for resale? _____</p> <p>(B) What percent of gross sales are goods manufactured at this location? _____</p> <p>(C) What percent of gross sales are goods processed at this location? _____</p> <p>(D) Total annual gross sales. _____</p>	<p>(E) Total annual sales of manufactured products. _____</p> <p>(F) Total annual sales of other products. _____</p> <p>(G) Total annual sales of manufactured products that become real property. _____</p>

**SECTION B - TO BE COMPLETED BY CONTRACTORS**

<p><b>7.</b> What are the beginning dates and ending dates of the contract for which you are applying? Beginning date. _____ Ending date. _____</p> <p>For whom is the contract being performed? _____</p> <p>Sales and Use Tax Number of Manufacturer/Processor. _____ Industrial Machinery Number of Manufacturer/Processor. _____</p> <p>Describe the nature of the contract as it applies to industrial machinery. _____</p>	
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**SECTION C - TO BE COMPLETED BY ALL APPLICANTS**

<p><b>8.</b> Applicant's Tennessee Sales and Use Tax Registration Number. _____</p> <p>If purchasing an existing business, enter that business's industrial machinery authorization number. _____</p>	
<p><b>9.</b> Explain in detail the use of any energy fuel or water that comes into direct contact with the product(s) during the manufacturing or processing event. _____</p> <p>Are separate meters in place to measure the energy and water that comes into direct contact with the product? <input type="checkbox"/> Yes <input type="checkbox"/> No</p>	

<p><b>10.</b> Under penalty of perjury, I certify that the answers given here are true and accurate to the best of my knowledge. I understand that any authority given as a result of this application will be limited to the purchase or repair of industrial machinery, energy fuel or water use at this location only, and that the use of such authority for purposes other than those authorized may result in the assessment of additional taxes, penalties, and interest or other penalties as provided by law.</p> <p>Name (print): _____ Position: _____</p> <p>Signature: _____ Phone: _____</p>	<b>FOR OFFICIAL USE ONLY</b>
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## **Instructions for the Application for Industrial Machinery Exemption**

Applicants must complete the appropriate sections. Please legibly include all requested information to avoid delays in processing your application.

Items 1 and 2 must be completed by all applicants. If machinery will be installed in a different location than indicated in Item 2, please provide the location of the machinery in Item 3. Section A is to be completed by manufacturers and processors. Section B is to be completed by contractors. Persons installing 51% or more of what they fabricate are contractors, not manufacturers. Section C is required for all applicants.

Upon receipt of an Industrial Machinery Exemption certificate, a manufacturer may make tax-exempt purchases of, and installation and repair services for, qualified industrial machinery, as well as reduced or tax-exempt purchases of energy fuel and water, as provided under the law.

Contractors installing qualified tax-exempt industrial machinery for qualified manufacturers must apply to the Department of Revenue for their own industrial machinery authorization number for each project.

### **Industrial Machinery Authorization**

Industrial Machinery must be used by a taxpayer qualified as a manufacturer/processor and must be necessary to and primarily used for the fabrication or processing of the product for resale and consumption off the premises. Industrial Machinery is defined in Tenn. Code Ann. Section 67-6-102 and in general includes, but is not limited to the following:

- \* Machinery, apparatus, and equipment for fabricating/processing
- \* Accessories and attachments to industrial machinery
- \* Repair parts for industrial machinery
- \* Installation and repair services for industrial machinery
- \* Hydraulic fluids, lubricating oils, and greases for industrial machinery
- \* Pollution control facilities required as a result of fabrication or processing
- \* Machinery for generating, producing and distributing utilities
- \* Equipment for moving materials to and from fabrication process
- \* Machinery for packaging manufactured item
- \* Machinery for remanufacture of industrial machinery
- \* Machinery for processing photographic film into negatives or prints for resale
- \* Machinery, apparatus equipment, and materials for mining
- \* Machinery utilized in pre-press and press operations in printing business including plates and cylinders and fluids and chemicals for mechanical and chemical actions or operations of machinery
- \* Machinery, apparatus, and equipment for conversion of tangible personal property into taxable specified digital products for resale
- \* Machinery, apparatus, and equipment used in fabrication of trusses, windows or door units when primarily engaged in sales of building supplies
- \* Machinery, apparatus, and equipment utilized in county or municipality sewage systems and water treatment facilities for water pollution control
- \* Machinery for fabrication of asphalt /crushed stone to be used by contractor in roads funded by tax revenues
- \* Machinery, apparatus, and equipment for fabricating prescription eyewear, a majority of which is dispensed to patients out of state
- \* Computer, computer network, computer software, and computer system used in the operation of a qualified data center

Pollution control machinery and equipment needed to control and/or eliminate air and water pollutants resulting from one's own manufacturing activities are considered industrial machinery and are tax-exempt to qualified manufacturers.

Qualified manufacturers are authorized to make purchases at a reduced state tax rate of 1.5% on all forms of energy fuel used in any manner on the manufacturing site. Such energy is not subject to a local option sales tax. Any energy fuel that comes into direct contact with the product during the manufacturing process and is metered separately is tax-exempt.

Manufacturers are also entitled to a reduced state tax rate of 1% and a local tax rate of 0.5% on water used on the manufacturing site for any purpose. Water that actually contacts the product during the manufacturing process and that is separately metered is also tax-exempt.

***For more information, visit [www.TN.gov/revenue](http://www.TN.gov/revenue).***