

STATE OF ARKANSAS  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
SALES AND USE TAX SECTION

**EXEMPTION CERTIFICATE**  
(ACT 391 OF 1997)

I hereby certify that I either hold or am the authorized representative of the holder of Arkansas Sales/Use Tax Permit Number \_\_\_\_\_, or that I am a nonresident purchaser or the authorized representative thereof and hold a similar permit issued by the State of \_\_\_\_\_, Number \_\_\_\_\_, that this is a current and valid permit number; and that I am exempt from sales and use tax on the tangible personal property purchased from \_\_\_\_\_

I further certify that if any tangible personal property purchased exempt under this certificate is withdrawn from stock or otherwise used, that I will report the tax due under Arkansas Sales/Use Tax Law and Regulations.

Description of the merchandise to be purchased: (Please give a specific identification of items purchased. If needed an additional statement may be attached hereto.) \_\_\_\_\_

The merchandise purchased is exempt for the following reason: \_\_\_\_\_

Purchaser's business: \_\_\_\_\_

\_\_\_\_\_  
Purchaser's Signature

\_\_\_\_\_  
Purchaser's Business Name (as stated on permit)

\_\_\_\_\_  
Title/Position with Company

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip

\_\_\_\_\_  
Date

**NOTICE TO VENDOR: THIS EXEMPTION CERTIFICATE MUST BE ACCEPTED BY YOU IN GOOD FAITH. THIS MEANS THAT YOU CANNOT ACCEPT THIS CERTIFICATE AS A BASIS FOR ALLOWING THE PURCHASER TO BUY ITEMS TAX-FREE IF YOU HAVE ACTUAL KNOWLEDGE THAT THE PURCHASER IS NOT ENTITLED TO AN EXEMPTION ON THE ITEMS PURCHASED OR IF THERE IS OTHER INFORMATION THAT WOULD SUGGEST THAT THE PURCHASER IS NOT ENTITLED TO CLAIM AN EXEMPTION. IF YOU DO NOT ACCEPT THIS CERTIFICATE IN GOOD FAITH, YOU MAY BE HELD LIABLE FOR SALES TAX ON THE SALE OF THE ITEMS.**

**CERTIFICATE OF PROOF FOR CONTRACTOR'S ENTITLEMENT TO  
EXEMPTION FROM SALES AND USE TAX INCREASE**

Arkansas Code Annotated §26-52-427 exempts certain materials used in construction contracts from increase in state or local sales and use taxes for five (5) years from the effective date of the tax increase. Before the exemption may be claimed, the following conditions must be met:

1. There must be a written contract for the construction or substantial modification of a building or other improvement or structure affixed to real property.
2. The materials purchased must be used in a construction contract signed prior to the effective date of the tax increase.
3. The materials must be purchased within five (5) years of the effective date of the tax increase.
4. The materials must become a recognizable part of the completed structure or improvement to real property.
5. The invoice or other sales documents must state that the seller has received a signed copy of this certificate which is retained in the seller's records.
6. This exemption does not apply to cost plus contracts or to any other contract where the contractor has the right to pass any additional tax on to the principal as a part of the contractor's cost.

SELLER: \_\_\_\_\_

SELLER'S ADDRESS, INCLUDING CITY AND COUNTY: \_\_\_\_\_

\_\_\_\_\_

CONTRACTOR: \_\_\_\_\_

CONTRACTOR'S ADDRESS, INCLUDING CITY AND COUNTY: \_\_\_\_\_

\_\_\_\_\_

Tax increase: \_\_\_\_\_ State \_\_\_\_\_ City (\_\_\_\_\_) \_\_\_\_\_ County (\_\_\_\_\_)

Amount of increase: \_\_\_\_\_ % Effective date of increase: \_\_\_\_\_

Contract No. \_\_\_\_\_ Date of contact: \_\_\_\_\_ (must be prior to effective date of increase).

Contractor certifies to Seller that the materials purchased for this contract qualify for the exemption from the tax increase described above. Contractor understands that a false statement on this form is punishable as a Class A misdemeanor.

\_\_\_\_\_ DATE: \_\_\_\_\_

CONTRACTOR

**NOTICE TO SELLER: In order to claim this exemption on your sales and use tax report, you must retain a copy of this certificate in your records along with the material sales invoice. Failure to maintain adequate records may result in your liability for the tax increase.**