



**CERTIFICATE OF EXEMPTION
PRODUCTION MACHINERY AND EQUIPMENT**

pursuant to the *Social Service Tax Act*

Completion of this certificate entitles a manufacturer or other qualifying purchaser or lessee to purchase or lease eligible production machinery, equipment, parts, materials or taxable services provided to such items, without paying social service tax when purchased for an eligible purpose pursuant to Sections 76(1)(k) and 138(1)(q)(vi) of the *Social Service Tax Act*, and Division 13 of the regulations to the Act.

PART A – CERTIFICATION OF ELIGIBLE PERSON (see page 2)

I certify that (please check (✓) appropriate box):

- I am an eligible manufacturer (see page 2) of _____
(type of goods manufactured)
- I regularly engage in logging for commercial purposes (see page 2)
- I regularly engage in exploration or discovery of petroleum or natural gas, or of coal or mineral deposits for commercial purposes
- I represent a local government or eligible local government corporation that qualifies for the production machinery and equipment exemption for power generation activities (see page 2)

and that the production machinery, equipment, parts, materials or taxable services described below are acquired for, and will be used for, an exempt use (see page 2).

Description of items purchased or leased, or equipment for which taxable services are provided:

PRINT NAME OF CORPORATION, ASSOCIATION, ALL PARTNERS OR PROPRIETOR	TELEPHONE NO. ()
ADDRESS – INCLUDE POSTAL CODE	REGISTRATION NO. <i>(if applicable)</i>
SIGNATURE X	DATE SIGNED YYYY / MM / DD

PART B – CERTIFICATION OF ELIGIBLE CONTRACTOR (where applicable - see page 2)

I certify that the machinery, equipment, parts or materials identified above is being acquired for installation under a fixed-price or lump-sum contract entered into with the person named in Part A of this Certificate.

PRINT NAME OF CONTRACTOR	TELEPHONE NO. ()
ADDRESS – INCLUDE POSTAL CODE	
SIGNATURE X	DATE SIGNED YYYY / MM / DD

PART C – SELLER / LESSOR INFORMATION (see page 2)

PRINT NAME OF SELLER, LESSOR OR TAXABLE SERVICE PROVIDER	TELEPHONE NO. ()
ADDRESS – INCLUDE POSTAL CODE	
SIGNATURE X	DATE SIGNED YYYY / MM / DD

WARNING: Where it can be established that a false statement was made that resulted in the non-payment of tax, the *Social Service Tax Act* imposes a penalty of 25% of the tax due, in addition to an assessment for the tax that should have been paid.

CERTIFICATE OF EXEMPTION – PRODUCTION MACHINERY AND EQUIPMENT

For more information please visit the Consumer Taxation Branch Web site at www.sbr.gov.bc.ca/ctb and follow the links to the Machinery and Equipment page.

INSTRUCTIONS

PART A – To be completed by the eligible purchaser/lessee (see below). If there is insufficient space to identify all items purchased or leased, attach a list to the certificate and indicate that a list is attached.

PART B – To be completed only by an eligible contractor (see below) when applicable. For time and materials contracts, the contractor is the seller and should be identified in Part C.

PART C – To be completed by the seller or lessor.

SELLERS/LESSORS – Retain the completed certificate to substantiate non-collection of social service tax on the sale or lease.

ELIGIBLE CONTRACTORS – Provide the seller/lessor with the original copy of this certificate and retain a copy in your records to substantiate the non-payment of tax on this purchase.

ELIGIBLE PURCHASER / LESSEE

MANUFACTURER: Manufacturers, mine operators, petroleum and natural gas processors, and persons providing manufacturing services to manufacturers should refer to [Bulletin SST 054](#), *Manufacturers* for details of this exemption.

LOGGING: Logging means the felling and bucking of trees, skidding or otherwise moving trees to the landing or other first point of accumulation, or the loading, unloading, sorting or storing of trees or logs at landings, log dumps, sort yards, dry-land sorts, booming grounds, or mill yards. Logging does not include silviculture or the construction and maintenance of landings, log haul roads, or other roads (*Social Service Tax Act*, Regulation 13.1).

LOCAL GOVERNMENTS: Local governments and local government corporations should refer to [Bulletin SST 054](#), *Manufacturers*, for details about this exemption.

ELIGIBLE CONTRACTOR

Contractors should refer to Consumer Taxation Branch [Bulletin SST 072](#), *Contractors and Subcontractors: Improvements to Realty*, for the details of this exemption. An eligible contractor is a person who enters into a lump-sum contract with an eligible purchaser for the supply and installation of exempt machinery, equipment, parts or materials that become an improvement to realty on installation.

EXEMPT USE

Machinery or equipment used primarily and directly to:

- manufacture tangible personal property for sale, lease or own use within a manufacturing site, mine site, or at a well site, gas processing plant or petroleum refinery (regulation 13.2).
- generate electricity or electricity and heat at a cogeneration plant, by a qualified local government entity (regulation 13.2.1).
- provide qualifying manufacturing services to qualifying manufacturers (regulation 13.14).

Prescribed machinery and equipment used exclusively and directly in:

- logging (regulation 13.3).
- the exploration and development of petroleum or natural gas deposits (regulation 13.4).
- the exploration and development of coal or mineral deposits (regulation 13.5).
- qualifying pollution control (regulation 13.7) and waste management (regulation 13.8) activities.

Prescribed machinery and equipment used primarily for qualifying transmission purposes (regulations 13.2.1(1.1), 13.8.1 and 13.8.2).

Parts, materials, services and tangible personal property exempt under regulations 13.10.1, 13.10.2 and 13.10.3.

If there is any change in use of an item that was purchased exempt from tax to a use that does not qualify for the exemption, tax is payable as prescribed under the Act.

THE SOCIAL SERVICE TAX ACT TAKES PRECEDENCE

This form is provided for recording the details of an exempt sale. Although detailed information is provided below, the final determination of whether a person qualifies to make an exempt purchase, or whether an item qualifies for an exemption, lies with the *Social Service Tax Act*.

Freedom of Information and Protection of Privacy Act (FOIPPA)

The personal information on this form is collected for the purpose of administering the *Social Service Tax Act* under the authority of both this Act and section 26 of the *FOIPPA*. Questions about the collection or use of this information can be directed to the Information and Privacy Analyst, FOI Section, PO Box 9432 Stn Prov Govt, Victoria, BC V8W 9N6. (Telephone: Victoria at 250 953-3671, Vancouver at 604 660-2421 or toll-free at 1 800 663-7867 and ask to be re-directed.)

Email: FOI.QRYS@gov.bc.ca