

KANSAS DEPARTMENT OF REVENUE
INTERSTATE COMMON CARRIER EXEMPTION CERTIFICATE

466718

The undersigned **motor carrier** certifies that the tangible personal property purchased from:

Seller: _____
Business Name

Address: _____
Street, RR, or P. O. Box City State Zip + 4

is exempt from Kansas sales and compensating use tax for the following reason:

exempt rolling stock (including buses and trailers), repair or replacement parts for rolling stock, gasoline or other motor fuels purchased for rolling stock when purchased by a motor carrier qualifying as a public utility, for immediate and direct use in interstate commerce.

Description of tangible personal property purchased: _____

Describe how you hold yourself out to the public for hire as a motor carrier: _____

The undersigned motor carrier further certifies that he or she qualifies as a public utility on the following basis: Check one box and complete the information requested.

I have common carrier authority to haul regulated commodities. I will use the purchased item(s) for the purpose of hauling persons or commodities for hire in interstate commerce.

My Motor Carrier authority is under the name of: _____.

My Motor Carrier number: _____ My USDOT number: _____.

I am hauling exempt (unregulated) commodities. I will use the purchased item(s) for the purpose of hauling unregulated commodities for hire in interstate commerce. My USDOT number is _____ and under the name of _____.

I am leased/contracted to a licensed common carrier and I will use the purchased item(s) to haul persons or commodities for hire in interstate commerce.

I am leased/contracted to: _____
Lessor's Name

Lessor's Address: _____
Street, RR or P.O. Box City State Zip + 4

Lessor's Motor Carrier Number: _____ Lessor's USDOT Number: _____

Under the penalties of perjury, the undersigned certifies and declares that the above, and any attached supplement, is complete, true and correct, and understands and agrees that if the tangible personal property is not used in interstate commerce, as certified herein, the undersigned motor carrier is liable for the tax and will report and pay the tax measured by the purchase price of the property.

Purchaser: _____
Motor Carrier Name

Address: _____
Street, RR, or P.O. Box City State Zip + 4

Authorized Signature: _____ Date: _____

THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.
(See reverse for additional information and instructions.)

ABOUT THE INTERSTATE COMMON CARRIER EXEMPTION

CHARGES FOR LABOR SERVICES TO SERVICE, MAINTAIN, OR REPAIR ROLLING STOCK, INCLUDING BUSES AND TRAILERS, ARE TAXABLE.

Public utilities are exempt from sales tax on purchases of tangible personal property for consumption or movement in interstate commerce – K.S.A. 79-3606(f); Motor carriers licensed and regulated by the Federal Motor Carrier Safety Administration are public utilities; Motor carriers are persons providing motor vehicle transportation for compensation - 49 U.S.C. 13102.

WHO MAY USE THIS EXEMPTION? Only interstate common carriers or those leased to an interstate common carrier. Three types of interstate common carriers may be exempt from sales tax:

- Common carriers that transport regulated goods or persons in interstate commerce.
- Common carriers engaged in the interstate transportation of goods exempt from regulation.
- Common carriers that haul both Regulated and Exempt commodities.

In order to qualify as a common carrier a motor carrier must: 1) be engaged in the business of hauling persons or freight for others; and, 2) advertise or otherwise hold out that it is engaged in the business of hauling persons or freight for others. Motor carriers may not claim the exemption available to common carriers if the motor carrier only hauls its goods or materials for itself or a separately incorporated business or businesses that have a significant ownership interest in the motor carrier and sell, use or consume the goods or materials that are being hauled.

PLEASE NOTE: Simply having a motor carrier or a USDOT number does not mean you are exempt from sales or compensating taxes. You must meet the statutory criteria set forth below.

WHO IS NOT EXEMPT? Contract carriers that are not for hire to the general public. Common carriers that are solely intrastate carriers.

WHAT PURCHASES ARE EXEMPT? Only rolling stock, parts, motor fuels and other items used directly and immediately in interstate commerce are exempt. All other property purchased by a common carrier is taxable. The examples below illustrate the types of items a carrier may purchase without tax, and those that are taxable.

| <u>Exempt</u> | | <u>Taxable</u> | |
|------------------------------|----------------------|----------------|------------------|
| Air and oil filters | Semi trucks/tractors | Labor Services | Paper |
| Gasoline & diesel fuel | Spark plugs | Boxes Lining | Office equipment |
| Hoses and belts | Tarps | Computers | Office supplies |
| Lubricants | Tires | Furniture Pads | Straps |
| Truck & trailer repair parts | Trailers (all types) | Fork Lifts | Packing Supplies |
| | Valves | Gantries | Piano Boards |

LABOR SERVICES: Labor services to repair, replace, service, or maintain a carrier's rolling stock are taxable.

NUMBERS: Motor Carrier Number. Carrier numbers issued by the Federal Motor Carrier Safety Administration (FMCSA) granting authority for interstate operations.

USDOT Number: Companies, including commercial intrastate hazardous materials carriers, transporting passengers or hauling cargo in interstate commerce must be registered with the FMCSA (fmcsa.dot.gov/) and must have a USDOT Number.

RETAINING THIS CERTIFICATE: Sellers should retain a completed copy of this certificate in their records for at least three years from the date of sale. A seller is relieved of liability for the tax if it obtains a completed exemption certificate from a purchaser with which the seller has a recurring business relationship. A certificate need not be renewed or updated when there is a recurring business relationship between the buyer and seller. A recurring business relationship exists when a period of no more than 12 months elapses between sales transactions.