



# Prairie Lakes Coop

a division of CHS Inc.

## Account Application

March 2012

Cyrus Elevator:  
320-795-2714

Elrosa Agronomy:  
320-697-5566

Glenwood Elevator:  
320-634-3028

Hoffman Agronomy:  
320-986-2454

Long Prairie:  
320-732-2149

Lowry Elevator:  
320-283-5143

Park Rapids:  
218-732-4236

Starbuck:  
320-239-2226

Toll Free Main Office:  
1-800-808-1626

**Prairie Lakes Coop**  
**PO BOX 580**  
**Starbuck, MN 56381**

**prairielakescoop.com**  
**& AgAnswer.com**



# Prairie Lakes Coop

a division of CHS Inc.

## **Application process is easy...Follow These Steps**

1. Fill out the application credit request form. Make sure to include all of the information requested on the application, including your signature.
2. You may bring your application into your local Prairie Lakes Coop office locations or mail to Prairie Lakes Coop, PO BOX 580, Starbuck, MN 56381
3. Please allow 15 days for application processing.
4. Upon review of your application, a letter will be sent in the mail regarding your application status.

### *Important information about procedures for opening a new account:*

When you open an account, we will ask for your name, address, date of birth, business documents, and other information that will allow us to identify you. We may also ask to see your drivers license or other identifying documents.

# **Agronomy • Energy • Grain Marketing**



Please check your primary location:  
 Cyrus  
 Elrosa  
 Glenwood  
 Hoffman  
 Long Prairie  
 Lowry  
 Park Rapids  
 Starbuck

Main Office  
 PO BOX 580  
 Starbuck, MN 56381  
 Phone: 320-239-2226  
 Fax: 320-239-2227  
 www.prairielakescoop.com

**FOR OFFICE USE ONLY**

PATRON # \_\_\_\_\_  
 CREDIT LIMIT \_\_\_\_\_  
 APPROVAL \_\_\_\_\_  
 DATE \_\_\_\_\_

PRODUCTS PLANNING TO PURCHASE:  
 Petroleum  Feed  L.P.  Seed  Agronomy  Other

**CREDIT REQUESTED**  
 \$ \_\_\_\_\_

COMPANY NAME		DBA: (IF DIFFERENT)	TAX ID #	ARE YOU TAX EXEMPT? YES or NO (CIRCLE ONE)
PRINCIPAL'S LAST NAME		FIRST	INITIAL	IF YES, EXEMPTION #: _____
SOCIAL SECURITY NUMBER	DATE OF BIRTH	PHONE NUMBER		NO. OF DEPENDENTS (INCLUDE YOURSELF) _____
STREET ADDRESS				
CITY	STATE/ZIP CODE			YEARS AT PRESENT ADDRESS _____ ____OWN ____RENT
ACRES FARMED	ACRES OWNED			
PRESENT EMPLOYER		YEARS THERE		
POSITION (IF SELF EMPLOYED-NATURE OF BUSINESS)		MONTHLY INCOME (DO NOT INCLUDE SPOUSE INCOME) \$		
ADDRESS	CITY	STATE/ZIP	BUSINESS PHONE	
NEAREST RELATIVE NOT LIVING WITH YOU	ADDRESS	RELATIONSHIP	PHONE	
OTHER INCOME (You do not have to list income derived from a spouse or former spouse including alimony, child support, or maintenance unless you want us to consider it for the purpose of opening this account. (If you list such payments, please complete "Co-Applicant" section below).		\$	SOURCE	

TRADE or CREDIT REFERENCES	NAME OF REFERENCE	ADDRESS OF REFERENCE	PHONE # OF REFERENCE
1.			
2.			
3.			
BANK INFORMATION	BANK NAME	ACCOUNT INFORMATION	ADDRESS OF BANK
OPERATING LINE? NO _____ YES →	NAME OF BANK	ACCOUNT NO.	CITY, STATE
CHECKING NO _____ YES →	NAME OF BANK	ACCOUNT NO.	CITY, STATE
SAVINGS NO _____ YES →	NAME OF BANK	ACCOUNT NO.	CITY, STATE

**CO-APPLICANT** COMPLETE THIS PART ONLY IF: (1) Another person will use the account. Such person must also sign the application and will be jointly obligated on the account. OR (2) You are relying on income derived from a spouse or former spouse including child support, alimony, or maintenance payments for repayment of the account.

NAME	DATE OF BIRTH	SOCIAL SECURITY NUMBER	
RELATIONSHIP	STREET ADDRESS		
CITY	STATE/ZIP	YEARS THERE	PHONE NUMBER
EMPLOYER NAME & ADDRESS	YEARS THERE	POSITION	MONTHLY INCOME
CHECKING ACCOUNT NO./ BANK	LOAN OR ACCOUNT OBLIGATION (IF DIFFERENT FROM APPLICANT'S)		
SAVINGS ACCOUNT NO./ BANK →			
ACCOUNT NUMBER	BALANCE \$	PAYMENT \$	NEAREST RELATIVE NOT LIVING WITH YOU

- IF I DO NOT PAY MY BILL IN FULL BY THE 20<sup>TH</sup> OF THE FIRST BILLING MONTH, I WILL INCUR A ONE TIME 5% LATE FEE (MINIMUM OF \$5.00). I UNDERSTAND THAT IF ANY PORTION OF MY BALANCE REMAINS UNPAID FOR MORE THAN 30 DAYS, I MAY BE PLACED ON A CASH BASIS UNTIL THAT AMOUNT IS PAID.
- I UNDERSTAND THAT **A FINANCE CHARGE OF 1.50% PER MONTH (ANNUAL PERCENTAGE RATE OF 18%)**, OR THE MAXIMUM AMOUNT THAT IS ALLOWED BY LAW, WHICHEVER IS LESS, WILL BE APPLIED TO THAT PART OF ANY BALANCE THAT RESULTED FROM PURCHASES MADE DURING A CALENDAR MONTH, BUT NOT PAID BEFORE THE 20<sup>TH</sup> OF THE FOLLOWING MONTH PLUS ANY PREVIOUS BALANCE THAT REMAINS UNPAID.
- PAYMENTS SHALL BE APPLIED FIRST TO THE UNPAID **FINANCE CHARGE**, THEN TO THE REMAINING OUTSTANDING BALANCE.
- IN THE EVENT THAT COLLECTION PROCEEDINGS MUST BE INSTITUTED TO COLLECT ANY BALANCE DUE, I AGREE TO PAY ALL COSTS OF COLLECTION, INCLUDING REASONABLE ATTORNEYS' FEES AND COURT COSTS.
- IF APPLYING FOR A JOINT ACCOUNT, BOTH OF US AGREE TO BE BOUND BY THE TERMS OF THIS AGREEMENT, AND EACH OF US AGREE TO BE JOINTLY AND SEVERALLY LIABLE FOR PAYMENT OF ALL PURCHASES MADE UNDER THIS AGREEMENT.
- YOU SHALL HAVE THE RIGHT TO LIMIT OR TERMINATE MY CHARGE ACCOUNT, BUT TERMINATION SHALL NOT AFFECT MY OBLIGATION TO PAY THE EXISTING BALANCE. YOU MAY AT YOUR OPTION DECLARE THE ENTIRE BALANCE DUE AND PAYABLE.

EVERYTHING THAT I HAVE STATED IN THIS APPLICATION IS CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT YOU WILL RETAIN THIS APPLICATION WHETHER OR NOT IT IS APPROVED. YOU ARE AUTHORIZED TO CHECK MY CREDIT AND EMPLOYMENT HISTORY AND TO ANSWER QUESTIONS ABOUT YOUR CREDIT EXPERIENCE WITH ME. I ALSO AUTHORIZE MY BANK/LENDING INSTITUTION TO PROVIDE MY CURRENT FINANCIAL STATEMENT TO YOU.

APPLICANT'S SIGNATURE	DATE	OTHER SIGNATURE (WHERE APPLICABLE)	DATE
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**FINANCIAL INFORMATION:**

(THIS SECTION **SHOULD** BE COMPLETED IF YOU ARE REQUESTING A CREDIT LIMIT OVER \$5,000.)

BALANCE SHEET AS OF \_\_\_\_\_ OR, PLEASE ATTACH YOUR MOST RECENT BALANCE SHEET. (NOTE: ALL INFORMATION MUST BE COMPLETED TO RECEIVE CONSIDERATION)

ASSETS		DEBT & NET WORTH	
CASH & INVESTMENTS	\$	ACCOUNTS PAYABLE	\$
CROP INVENTORY TOTAL		NOTES DUE WITH BANK	
LIVESTOCK INVENTORY		CURRENT PORTION - TERM DEBT (DUE 1 YR.)	
PRE-PAID EXPENSES - CROPS		LAND RENT PAYABLE	
NOTES / ACCOUNTS RECEIVABLE		CREDIT CARD DEBT	
OTHER CURRENT ASSETS (_____)		OTHER CURRENT DEBT (CONTRACT FOR DEED)	
<b>TOTAL CURRENT ASSETS</b>	\$	<b>TOTAL CURRENT DEBT</b>	\$
MACHINERY & EQUIP. TOTAL		EQUIP. LOANS (NET OF CURRENT ABOVE)	
FARM REAL ESTATE		VEHICLE LOANS	
IRA'S & SECURITIES		REAL ESTATE LOANS (NET OF CURRENT)	
OTHER FIXED ASSETS (_____)		<b>TOTAL LONG TERM DEBT</b>	\$
<b>TOTAL LONG TERM ASSETS</b>	\$	<b>NET WORTH</b>	\$
<b>TOTAL ASSETS</b>	\$	<b>TOTAL DEBT &amp; NET WORTH</b>	\$

**PERSONAL GUARANTY:**

(THIS **MUST** BE SIGNED IF APPLICANT IS A CORPORATION, LLC, or LLP)

I/We personally guarantee absolutely and unconditionally the full and prompt payment of any and all sums owed to CHS Inc. by the above named entity. This guaranty shall be a continuing and irrevocable guaranty and indemnity for indebtedness of the entity. I/We do hereby waive notice of default or non-payment and consent to any modification or renewal of the credit agreement hereby guaranteed. I/We agree to pay upon demand any such due to CHS Inc. by the entity whenever the entity shall fail to pay the same when due. I agree to further indemnify CHS Inc. against any resulting claims, losses or damages it may suffer by reason of the failure of the above named entity to perform its obligations to CHS Inc.

The undersigned personal guarantor, recognizing that his or her individual credit history may be a necessary factor in the evaluation of this personal guaranty, hereby consents to and authorizes the use of a consumer credit report on the undersigned, by CHS Inc. from time to time as may be needed, in the credit evaluation process.

This application is not intended to, nor does it, create an obligation of CHS Inc. to supply merchandise or services to your store(s).

Signature \_\_\_\_\_

Print Name \_\_\_\_\_

Signature \_\_\_\_\_

Print Name \_\_\_\_\_





**CHS Inc.  
Patronage Application and Eligibility Form**

<i>CHS Use Only:</i>	<b>Employee Initial:</b> _____
<u>2679</u>	_____
<b>Location Number</b>	<b>Patron Number</b> <b>Consent Code</b>

\_\_\_\_\_  
**Individual's Legal Name (First, Middle, Last)**

\_\_\_\_\_  
**Cooperative/Business/Partnership Etc. Legal Name**

\_\_\_\_\_  
**Mailing Address**

\_\_\_\_\_  
**City**                                      **State**                                      **Zip Code**

\_\_\_\_\_  
**Telephone Number (Include Area Code)**

\_\_\_\_\_  
**Birth Date:**      \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_  
**(If Individual)**      **Month**                      **Day**                      **Year**

**1. Please check the box which describes the type of entity holding the account:**

- Cooperative Association (of Agricultural Producers)       Individual       Government Agency (Schools, Hwy Dept., DNR's, etc)       Business Corporation
- Family Farm/Partnership       Trust or Estate       Other \_\_\_\_\_ (Church, Club, etc)  
(Please Indicate)

**2. PLEASE CHECK THE APPROPRIATE BOX** to let us know if you are either an agricultural producer or an association of agricultural producers organized and operating so as to adhere to the provisions of the Agricultural Marketing Act and the Copper-Volstad Act (hereafter "Qualifying Association"). CHS Inc.'s Bylaws define "agricultural producers" as persons who are actually engaged in the production of agricultural products, including tenants of land used for the production of any such product, and lessors of such land who receive as rent therefore a product of such land.

- I **am** a Qualifying Association       I **am** an agricultural producer       I **am not** an agricultural producer *or* Qualifying Association

**Certification** — Under penalties of perjury, I certify that:

- (1) The number I have provided below on this form is my correct Taxpayer Identification Number.
- (2) I am not subject to backup withholding either because I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the IRS has notified me that I am no longer subject to backup withholding.

**Certification Instructions** — You must cross out item (2) above if you have been notified by the IRS that you are subject to backup withholding because of under reporting interest of dividends on your tax return. However, if after being notified by the IRS that you were subject to backup withholding you received another notification from the IRS that you are no longer subject to the backup withholding, do not cross out item #2.

**IT IS IMPORTANT TO NOTE THAT ONLY ONE NUMBER CAN BE USED AND THAT NUMBER SHOULD MATCH THE NUMBER ON FILE WITH THE IRS. THIS IS THE NUMBER CHS WILL REPORT PATRONAGE EARNINGS UNDER.**

\_\_\_\_\_  
**Social Security Number (If Individual)**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**

**OR**

\_\_\_\_\_  
**Federal Identification Number (For Corporation/Coop)**

\_\_\_\_\_  
**Title of Officer if Patron is a Corporation**

**Consent** — Please check either section (1) or (2) below. By checking Waiver, you will be waiving any patronage you would otherwise be eligible for.

**DO NOT CHECK BOTH**

- CONSENT** — I consent to include in my gross income as provided in the Federal Income tax laws, the stated dollar amount of each written notice of allocation which I received from CHS Inc. and its successors with respect to my patronage occurring during the current and all subsequent taxable years unless the written allocation is attributable to personal, living, or family items or is properly taken into account as an adjustment to basis of property. This individual consent shall be revocable by me in writing at any time.

I also acknowledge receipt of the CHS Inc. Consent Bylaw and Statement of Significance on the reverse side of this form.

**OR**

- WAIVER** — I waive any patronage dividends that I may be eligible for arising out of my business with CHS Inc. and its successors during its current and subsequent fiscal years. This disclaimer of patronage dividends shall be valid until revoked by me in writing in accordance with the Federal Income Tax Laws.

\_\_\_\_\_  
**Date**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Title of Officer if Patron is a Corporation**

**BYLAWS  
OF  
CHS INC.**

You are hereby notified that on December 12, 1962, this cooperative adopted a consent bylaw which was later amended and now reads as follows:

**ARTICLE VIII.  
Consent**

**Section 1 - Consent.** Each individual or entity that hereafter applies for and is accepted to membership in this cooperative and each member of this cooperative as of the effective date of this bylaw who continues as a member after such date shall, by such act alone, consent that the amount of any distributions with respect to its patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388), and which are received by the member from this cooperative, will be taken into account by the member at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by the member.

**Section 2 - Consent Notification to Members and Prospective Members.** Written notification of the adoption of this Bylaw, a statement of its significance and a copy of the provision shall be given separately to each member and prospective member before becoming a member of this cooperative.

**Section 3 - Consent of Nonmember Patrons.** If this cooperative obligates itself to do business with a nonmember on a patronage basis, such nonmember must either: (a) agree in writing, prior to any transaction to be conducted on a patronage basis, that the amount of any distributions with respect to patronage which are made in written notices of allocation (as defined in 26 U.S.C. §1388), and which are received by the nonmember patron from this cooperative, will be taken into account by the nonmember patron at their stated dollar amounts in the manner provided in 26 U.S.C. §1385(a) in the taxable year in which such written notices of allocation are received by the nonmember patron and further, that any revocation of such agreement will terminate this cooperative's obligation to distribute patronage with respect to transactions with such nonmember that occur after the close of this cooperative's fiscal year in which the revocation is received; or (b) consent to take the stated dollar amount of any written notice of allocation into account in the manner provided in 26 U.S.C. §1385 by endorsing and cashing a qualified check as defined in and within the time provided in 26 U.S.C. §1388(c)(2)(C); provided that failure to so consent shall cause the written notice of allocation that accompanies said check to be canceled with no further action on the part of this cooperative.

The significance of this Bylaw is that if you become a member after adoption of the Bylaw (and after receipt of this notice), or if you were already a member and remain a member after receipt of notice, any patronage distribution made to you in written notices of allocation (with respect to your patronage of this cooperative for a tax year of this cooperative beginning on or after June 1, 1963 and accompanied by a distribution of 20 percent or more in cash) will be included in your income. (However, the patronage distribution does not have to be included in your income if it represents a patronage distribution on the purchase of personal, living or family items: capital assets or property used in a trade of business subject to depreciation. The patronage distribution relating to capital assets or property used in a trade or business, however, must be used to reduce the cost basis of said assets or property.)

The amount included in your income will be the full amount of the patronage refund distribution (with the exception above stated), not just the portion of it paid in cash.



# Prairie Lakes Coop

CHS SERVICE CENTER

## CREDIT POLICY

- Credit application must be filled out before an open account for convenience credit will be allowed.
- No leased LP tanks will be set without credit approval first.
- If the balance of your account is not paid in full by the 20<sup>th</sup> of the first billing month, the account will be charged a one time 5% late payment fee (\$5.00 minimum), plus will start to accrue finance charge of 1.5% monthly equaling 18% annual.
- When an account is past due, no more credit will be extended unless arrangements are made with the approval of the Credit Department.
- Leased LP tanks and other leased equipment from Prairie Lakes Coop will be picked up on past due accounts. Budget accounts that are not current on regular monthly payments will be removed from the budget plan and put on a COD basis
- Any patron with an overdue account will be required to fill out a new credit application before convenience credit will be allowed.
- Credit cards may be used at time of purchase only. Credit card transaction fees may apply if credit card is not present.
- All accounts will be due and payable by the 20th of the month following the purchase.
- It will only affect deferred billings if they are not paid by the 20<sup>th</sup> of the month they are due in.

### EXAMPLE:

- Patron charges in August
- August purchases due and payable September 20<sup>th</sup>.
- Unpaid balance after September 20<sup>th</sup> will be charged a one time 5% late payment fee, (\$5.00 minimum), plus start to accrue finance charge of 1.5% monthly equaling 18% annual.
- September 25<sup>th</sup> your account is past due – no more convenience credit allowed.
- Cash only purchases until account is current and reviewed.
- November 1 - formal collection action. At this point credit will be discontinued permanently, unless a new credit application is filled out and convenience credit is approved.

## IN CASE OF ERRORS OR INQUIRIES ABOUT YOUR BILL

The Federal Truth in Lending Act requires prompt correction of billing mistakes.

1. If you want to preserve your rights under the Act, here's what to do if you think your bill is wrong or if you need more information about an item on your bill.
  - a. Do not write on the bill. On a separate sheet of paper write the following:
    - i. Your name and account number.
    - ii. A description of the error and an explanation why you believe it is an error.  
If you need more information, explain the item you are not sure about and, if you wish, ask for evidence of the charge such as a copy of the charge slip. Do not send in your copy of a slip or other document unless you have a duplicate copy for your records.
    - iii. The dollar amount of the suspected error.
    - iv. Any other information, which you think, will help us identify you or the reason for your inquiry.
  - b. Send your billing error notice to Prairie Lakes Coop, PO Box 580, Starbuck MN. Mail it as soon as you can, but in any case early enough to reach us by the 25<sup>th</sup> of the same month you were billed in.
2. We must acknowledge all letters pointing out possible errors sent to our main office within 30 days of receipt, unless we are able to correct your bill during those 30 days. Within 90 days after receiving your letter, we must either correct the error or explain why we believe the bill was correct. Once we have explained the bill, we have no further obligation to you even though you still believe there is an error, except as provided in paragraph 3 below.
3. If it is determined that we have made a mistake on your bill, you will not have to pay any finance charges on any disputed amount. If it turns out that we have not made an error, you may have to pay finance charges on the amount disputed, and you will have to make up any missed minimum or required payments on the disputed amount. Unless you have agreed that your bill was correct, we must send you a written notification of what you owe; and if it is determined that we did make a mistake in billing the disputed amount, you must be given the time to pay which you normally are given to pay undisputed amounts, before any more finance charges or late payment charges on the disputed amount can be charged to you.
4. If our explanation does not satisfy you and you notify us in WRITING WITHIN 10 DAYS after you receive this explanation that you still refuse to pay the disputed amount, we may report you to the credit bureaus and other creditors and may pursue regular collection procedures. We must also report that you think you do not owe the money, and we must let you know to whom such reports were made. Once the matter has been settled between you and us, we must notify those to whom we reported you as delinquent of the subsequent resolution.



## *Privacy Policy*

We respect your concern about privacy, and utilize all reasonable measures to maintain the confidentiality of the information you provide. Any information provided by you to CHS Inc. ("CHS") or any of its affiliated businesses is used for internal business purposes only, and to support your relationship with CHS and any of its affiliated businesses. We value your relationship.

Please take a few moments to read about how we collect, use and protect the information you provide to us, as well as how information you provide to us is shared.

This policy applies to CHS and all of its affiliated businesses.

We need to collect information in connection with establishing and maintaining your account with CHS. We also need this information so that CHS and our affiliated businesses can better support and meet your needs, and provide a superior level of service. CHS collects nonpublic personal information about you from the following sources:

1. Information we receive from you on your application and other forms you submit to us (for example, *your name, address, social security number, assets and income*)
2. Information about your transactions and account experience with CHS, our affiliated businesses, or others (for example, *your account balance, payment and purchase history*); and
3. Information we receive from a consumer-reporting agency (for example, *your creditworthiness and credit history*).

We may disclose all three categories of nonpublic personal information (as described

above) to CHS' affiliated businesses to which this policy applies.

**We do not disclose any nonpublic personal information about you or former customers to anyone, except as may be permitted or required by law.**

We may also disclose all of the information we collect as described herein to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements. To protect your privacy, we work with companies that agree to maintain confidentiality protections and limit the use of the information to the purposes stated in the agreement.

We restrict access to nonpublic personal information about you to those employees who need to know that information in order to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Thank you for taking the time to read this information about privacy and your account. Please note that the examples given above, including the types of information we collect and share and how the information is intended to be used, is not exhaustive. We also reserve the right to change this privacy policy at any time and without notice. We will send one notice of our privacy policy annually to the address on the account so long as you maintain an ongoing relationship with us. You can always review our current policy by contacting us for a copy. If you have any questions regarding this notice, please contact us at the following toll-free number: **1-800-535-4470**.

**Thank you for your business with CHS!**

April 2006



# Certificate of Exemption

**Purchaser:** Complete this certificate and **give it to the seller.** Do not send to the Department of Revenue.

**Seller:** Keep this certificate as a part of your records. If this certificate is not fully completed, you must charge tax.

Check one  
 **Single purchase certificate**     **Blanket certificate** (if checked, this certificate continues in force until cancelled by the purchaser)

Name of purchaser's business or organization \_\_\_\_\_

Business address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Purchaser's state tax ID number \_\_\_\_\_ State of issue \_\_\_\_\_

If no number, give reason \_\_\_\_\_

Name of seller from whom you are purchasing, leasing or renting \_\_\_\_\_

Seller's address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip code \_\_\_\_\_

Describe the nature of your business or organization. Include a description of the items normally sold in your business, if applicable.

\_\_\_\_\_

\_\_\_\_\_

Describe the items for which you are claiming exemption.

\_\_\_\_\_

\_\_\_\_\_

Circle the exemption reason code. Enter the number or title where applicable.

Code	Description
<b>A</b>	<b>Agricultural or industrial production.</b>
<b>B</b>	<b>Direct pay.</b> Enter DP# _____
<b>C</b>	<b>Exempt organization.</b> Enter ES# or type of group _____
<b>D</b>	<b>Motor carrier direct pay.</b> Enter MCDP# _____
<b>E</b>	<b>Multiple points of use.</b>
<b>F</b>	<b>Percentage exemption.</b>
	<input type="checkbox"/> Advertising (enter percentage) _____% <input type="checkbox"/> Utilities (enter percentage) _____%
<b>G</b>	<b>Resale.</b>
<b>H</b>	<b>Resource recovery facility.</b> Enter CN# _____
<b>I</b>	<b>Other.</b> Enter title _____

I declare that the information on this certificate is correct and complete to the best of my knowledge and belief. (PENALTY—If you try to evade paying sales tax by using an exemption certificate for items or services that will be used for purposes other than those being claimed, you may be fined \$100 under Minnesota law for each transaction for which the certificate is used.)

Signature of authorized purchaser \_\_\_\_\_ Print name here \_\_\_\_\_ Phone \_\_\_\_\_ Date \_\_\_\_\_  
 (    )

If you have questions, call 651-296-6181. TTY: Call 711 for Minnesota Relay.  
Forms and fact sheets are available on our website at [www.taxes.state.mn.us](http://www.taxes.state.mn.us).

Print or type

Describe business/  
exempt items

Type of exemption

Sign here

# Exemption reason codes

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See the descriptions on pages 3 and 4 for more information about the following exemptions.

## **A. Agricultural and industrial production**

Materials and supplies used or consumed in agricultural or industrial production of items intended to be sold ultimately at retail. Does not cover machinery, tools (except qualifying detachable tools and special tooling), accessories, furniture and fixtures used to produce a product.

## **B. Direct pay**

Direct-pay number issued by Department of Revenue. Cannot be used for meals, lodging and most services.

## **C. Exempt organizations**

- Charitable (ES# required)
- Chore/homemaking services for elderly and disabled
- Federal government
- Hospitals
- Libraries
- Nursing homes
- Outpatient surgical centers
- Religious and educational (churches, schools, school districts, scouts, youth groups, etc.)
- Senior citizen group (ES# required)

## **D. Motor carrier direct pay**

Motor carrier direct-pay number issued by Department of Revenue.

## **E. Multiple points of use**

Services or electronically delivered computer software that is made available for use in more than one taxing jurisdiction at the same time.

## **F. Percentage exemptions**

- Advertising materials for use outside Minnesota or local taxing area.
- Utilities used in agricultural or industrial production.

## **G. Resale**

Items or services purchased for resale.

## **H. Resource recovery facility**

Issued CN number by Department of Revenue.

## **I. Other exemptions**

- Airflight equipment
- Ambulances
- Aquaculture production equipment
- Automatic fire-safety sprinkler systems
- Biosolids processing equipment
- Bullet-resistant body armor
- Emergency-vehicle accessories
- Emergency-rescue-vehicle repair
- Exempt publications
- Farm machinery
- Firefighter equipment

- Handicapped accessible (building materials)
- Handicapped accessible (vehicle costs)
- Horse materials
- Job opportunity building zones (JOBZ)
- Logging equipment
- Materials for business use in a state where no sales tax applies
- Materials used to provide taxable services
- Medical supplies for a health-care facility
- Packing materials used to ship household goods outside Minnesota
- Poultry feed
- Prizes used for games at fairs or other events lasting fewer than six days
- Repair or replacement parts used in another state/country as part of a maintenance contract
- Ship replacement parts and lubricants
- Ski area items
- State or local government agency from another state
- Taconite production items
- Telecommunications equipment
- Townships (gravel, machinery, and equipment used for road and bridge maintenance)
- TV commercials
- Veteran organizations
- Waste-management containers and compactors
- Wind energy systems

# Exemption descriptions

Use Form ST3, Exemption Certificate, to claim the following exemptions. Fact sheets are available for some of the items as noted. Call our office for details about other exemptions not listed here.

## **Agricultural or industrial production.**

Materials and supplies used or consumed in agricultural or industrial production of items intended to be sold ultimately at retail. Does not cover machinery, tools (except qualifying detachable tools and special tooling), accessories, furniture and fixtures used to produce a product. *Fact Sheet 100, Agricultural Production, or Fact Sheet 145, Industrial Production.*

**Direct pay.** Allows the buyer to pay sales tax on certain items directly to the state instead of to the seller. Applicants must be registered to collect sales tax in order to qualify and must apply for and receive approval and a DP# from the Department of Revenue. Enter the DP# on Form ST3.

**Exempt organizations.** Must be a government or nonprofit organization as described below. Cannot be used to buy meals and lodging exempt, except for the federal government.

- **Charitable organizations.** Must be operated exclusively for charitable purposes. You *must* apply for and receive an ES# from the Department of Revenue. Enter the number on Form ST3. (Some nonprofit organizations do not qualify for sales-tax exemption.)
- **Chore/homemaking services** purchased by a local government specifically for elderly and disabled.
- The **federal government** may provide purchaser orders, payment vouchers, work orders or complete Form ST3.
- **Hospitals** owned by a local government or that qualify as charitable under IRC 501(c)(3) can use this certificate without an exemption number or *may* apply for an ES# from the Department of Revenue.
- **Libraries.** Includes public, county law, state agency, and the state and legislative libraries.
- **Nursing homes** owned by a local government or that qualify as charitable under IRC 501 (c)(3) can use Form ST3 without an exemption number or may apply for an ES# from the Department of Revenue.

- **Outpatient surgical centers** that qualify as charitable under IRC 501(c)(3) can use this certificate without an exemption number or *may* apply for an ES# from the Department of Revenue.
- **Religious and educational organizations.** Churches, schools, school districts, scouts, youth groups, etc., operated exclusively for religious or educational purposes can use Form ST3 without an exemption number or may apply for an ES# from the Department of Revenue.
- **Senior citizen groups.** Groups must limit membership to senior citizens age 55 or older, or under 55 but physically disabled. They *must* apply for and receive an ES# from the Department of Revenue and enter it on Form ST3.

**Motor carrier direct pay.** Allows motor carriers to pay tax directly to the state when they lease mobile transportation equipment or buy certain parts and accessories. Applicants must be registered for sales tax in order to apply. You must apply for, and receive approval and MCDP# from the Department of Revenue. Enter the MCDP# on Form ST3. *Fact Sheet 107, Interstate Motor Carriers.*

**Multiple points of use.** Taxable services or electronically delivered computer software that is made available for use in more than one taxing jurisdiction at the same time. Purchaser is responsible for apportioning and remitting the tax due to each taxing jurisdiction.

## **Percentage exemption.**

- Percentage exemptions may be claimed for **advertising materials** for use outside Minnesota or local taxing area. Purchaser must enter exempt percentage on Form ST3. *Fact Sheet 133, Advertising – Creative Promotional Services.*
- Exemption applies to percent of **utilities used in agricultural or industrial production.** General space heating and lighting is not included in the exemption. Purchaser must enter exempt percentage on Form ST3. *Fact Sheets 100, Agricultural Production; and 129, Utilities Used in Production.*

**Resale.** Items or services must be purchased for resale in the normal course of business.

**Resource recovery facilities.** Applies to equipment used for processing solid or hazardous waste (after collection and before disposal) at a resource recovery facility. You must apply for and receive approval from the Department of Revenue. Enter the CN# on Form ST3.

## **Other exemptions**

**Airflight equipment.** Must be purchased by an airline company taxed under M.S. 270.071 through 270.079.

**Ambulances (leases of vehicles used as ambulances).** Must be used by an ambulance service licensed by the EMS Regulatory Board under section 144E.10.

**Aquaculture production equipment.** Qualifying aquaculture production equipment, and repair or replacement parts used to maintain and repair it. *Fact Sheet 130, Aquaculture Production Equipment.*

**Automatic fire-safety sprinkler systems.** Fire-safety sprinkler systems and all component parts (including waterline expansions and additions) are exempt when installed in an existing residential dwelling, hotel, motel or lodging house that contains four or more dwelling units.

**Biosolids processing equipment.** Equipment designed to process, dewater and recycle biosolids for wastewater treatment facilities of political subdivisions and materials incidental to installation of that equipment.

**Bullet-resistant body armor.** Must be purchased by a licensed peace officer, or a state or local law-enforcement agency.

**Emergency rescue vehicle repair and replacement parts.** Must be purchased by a government entity and attached to an emergency rescue vehicle. Emergency rescue vehicles are fire trucks, hook and ladder trucks, ambulances and pumper trucks. Marked squad cars and fire-chief cars are not considered rescue vehicles. *Fact Sheet 135, Fire Fighting, Police and Emergency Equipment.*

**Emergency vehicle accessory items** used to initially equip marked police cars, fire trucks, hook and ladder trucks, pumper trucks and ambulances. *Fact Sheet 135, Fire Fighting, Police and Emergency Equipment.*

*Continued*

# Exemption descriptions (continued)

**Exempt publications.** Materials and supplies used or consumed in the production of newspapers and publications issued at average intervals of three months or less. Includes publications issued on CD-ROM, audio tape, etc.

**Farm machinery.** Qualifying farm machinery, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 106, Farm Machinery*

**Firefighter equipment.** Personal protective equipment used to provide fire protection when purchased or authorized by an organized fire department, fire protection district or fire company that provides fire protection to the state or a political subdivision. *Fact Sheet 135, Fire Fighting, Police and Emergency Equipment.*

**Handicapped accessible (residential building materials).** Building materials and equipment purchased by nonprofit organizations if the materials are used in an existing residential structure to make it handicapped accessible, and the homeowner would have qualified for a refund of tax paid on the materials under M.S. 297A.71, subd. 11 or subd. 22. Nonprofit organizations include those entities organized and operated exclusively for charitable, religious, educational or civic purposes; and veteran groups exempt from federal taxation under IRC 501 (c)(19).

**Handicapped accessible (vehicle costs).** Conversion costs to make vehicles handicapped accessible. Covers parts, accessories and labor.

**Horse materials.** Covers consumable items such as feed, medications, bandages and antiseptics purchased for horses. Does not cover machinery, tools, appliances, furniture and fixtures.

**Job opportunity building zones (JOBZ).** Applies to all goods and taxable services purchased by a qualified business and primarily used in the zone. Also includes purchases by a qualified business or a contractor of construction materials and supplies to construct improvements to real property if the property is used by a qualified business in the zone.

**Logging equipment.** Qualifying logging equipment, and repair or replacement parts (except tires) used to maintain and repair it. *Fact Sheet 108, Logging Equipment.*

**Materials for business use outside Minnesota** in a state: where no sales tax applies to such items; or for use as part of a maintenance contract. This exemption applies only if the items would not be taxable if purchased in the other state (e.g., a state that does not have sales tax).

**Materials used to provide taxable services.** Materials must be used or consumed directly in providing services taxable under M.S. 297A.61, subd. 3.

**Medical supplies for a health-care facility.** Purchases by a licensed health care facility, outpatient surgical center or licensed health-care professional of medical supplies used directly on a patient or resident to provide medical treatment. The exemption does not apply to equipment, lab or radiological supplies, etc. *Fact Sheet 117, Health Products.*

**Packing materials.** Packing materials used to pack and ship household goods to destinations outside Minnesota.

**Poultry feed.** The poultry must be for human consumption.

**Prizes.** Items given to players as prizes in games of skill or chance at events such as community festivals, fairs and carnivals lasting fewer than six days.

**Repair or replacement parts used in another state or country** as part of a maintenance contract. This does not apply to equipment or tools used in a repair business.

**Ship repair or replacement parts and lubricants.** Repair or replacement parts and lubricants for ships and vessels engaged principally in interstate or foreign commerce.

**Ski areas.** Items used or consumed primarily and directly for tramways at ski areas, or in snowmaking and snow-grooming operations at ski hills, ski slopes

or ski trails. Includes machinery, equipment, water additives and electricity used in the production and maintenance of machine-made snow.

**State or local government agency from another state.** Sales made to other states and local government agencies are exempt if the item would not be taxed in the home state. (Does *not* apply to sales of meals and lodging.)

**Taconite production items.** Mill liners, grinding rods and grinding balls used in taconite production if purchased by a company taxed under the in-lieu provisions of M.S. 298 if they are substantially consumed in the production of taconite.

**Telecommunications equipment** used directly by a telecommunications service provider primarily to provide telecommunications services for sale at retail. *Fact Sheet 119, Telecommunication Services.*

**Townships (gravel, machinery, and equipment used for road and bridge maintenance).** Purchases by a town of gravel, machinery, equipment and accessories used exclusively for road and bridge maintenance.

**TV commercials.** Covers TV commercials and tangible personal property primarily used or consumed in preproduction, production or postproduction of a TV commercial. Includes *rental* equipment for preproduction and production activities only. (Equipment *purchased* for use in any of these activities is taxable.) *Fact Sheet 163, TV Commercials.*

**Veteran organizations.** Applies to purchases by veteran organizations and their auxiliaries if they are organized in Minnesota and exempt from federal income tax under IRC 501(c)19 of the IRC; and the items are for charitable, civic, educational or nonprofit use (e.g., flags, equipment for youth sports teams, materials to make poppies given for donations).

**Waste-management containers and compactors** purchased by a waste-management service provider to use in providing waste-management services that are subject to solid-waste management tax.

**Wind energy systems.** Wind energy conversion systems and materials used to construct, install, repair or replace them.