

# Content #2A

## Resale Exemption

### ~Table of Contents~

A) Resale Qualifications-----Page 2

B) Required Doc's & Audit Examination-----Page 3

# Content #2A(A)

## Resale Exemption

NO TAX (State or City)

### Qualifications for Exemption / Deduction

- ❖ Purchaser must be in the business of reselling what we sold to them
- ❖ Purchaser must be able to provide proof of business.
  - Arizona businesses must be able to provide:
    - A current Transaction Privilege license (TPT)
  - Other state businesses must be able to provide:
    - Business license or TPT license (Whichever is applicable)
- ❖ Purchaser must be able to provide a completed current copy of a form 5000A Resale Certificate
- ❖ When a Parent Company is on the TPT license, but a subsidiary company or affiliate is purchasing, the Parent Company must be able to provide a listing of the names and addresses of the Subsidiary Companies & Affiliates that are allowed to purchase under the same license

# Content #2A(B)

## Resale Exemption

NO TAX (State or City)

### Required Documentation & Self Audit Examination

#### ❖ Dealer's license

- Verify the license is current
- Verify the same name & address are used throughout the deal
  - Buyers order
  - Purchasers statement
  - Finance Contracts
  - Business / TPT License
  - Resale Certificate
  - Etc...

#### ❖ Current TPT or Business License

##### TPT License

- Verify the TPT is a **current** license (each TPT expires annually). **If not**, we need to prove that the business is a legit business and is currently licensed to do business in order for it to be exempt. Log into [AZTAXES.GOV](http://AZTAXES.GOV), then [license verification](#) and enter the TPT #. Print a copy of the verification and attach to the TPT license
- Verify the TPT license has a Retail business classification code of 017 on the license
- Consider whether or not the company is in the business of reselling what we sold to them (*If not sure, sometimes we need to search online & print any information for proof*)
- Verify the business name and address on the license is the name throughout the deal

##### Business License

- Verify we have a current business license or Articles of Corporation from the State the business is claiming. We need to prove the business is legit and is currently in business in order for it to be exempt
- Consider whether or not, the company is in the business of reselling what we sold to them (*If not sure, sometimes we need to search online & print any information for proof*)
- Verify the business name on the license is the name throughout the deal

❖ **Form 5000A (Resale Certificate)**

- Verify the Purchaser's information: Business name and address is completed in full
- Verify the Name and Address are the same as the TPT license or Business License
- If the form 5000 is either an Annual or Blanket certificate, verify the date of the deal is within the range of the certificate. If the deal is not within the range of the certificate, we need a copy of a new certificate
- Blanket certificates or range dated certificates should be verified annually that their TPT number is still a valid number. A copy of the printed verification should be attached (printed verification process below)
  - Print a copy of the verification from <http://www.AZTAXES.GOV> click on license verification.
- Verify that the Precise Nature of Purchaser's business is provided, and if the answer is logical
- Verify "Description of Property Being Purchased" denotes the Make, Model & VIN number of the newly purchased vehicle
- Verify the signature and title of the person signing on behalf of the business is on the form
- Verify the signature date is, approximately, the date of the deal

## HOW TO VERIFY IF AN MVD LICENSE IS ACTIVE OR EXPIRED

[www.azdot.gov](http://www.azdot.gov)

- Click on Motor Vehicles
- Click on Professional Services
- Click on Dealer Licensing Services
- Under “Arizona Licensed Motor Vehicle Dealer Listing” – click on “CSV format, for access to data in MS Excel”
- If you are asked to open or save – click “Open”
- The Customer ID # is the License # - if it appears on the list, the license is active. If it does not appear, the license is expired.

# Content #2B

## **Resale Exemption For Mexican National Businesses**

### ~Table of Contents~

- A) Resale Qualifications-----Page 2
- B) Required Doc's & Audit Examination-----Page 3

**Content #2B (A)**  
**Mexican National Business**  
**- Resale Exemption**  
**NO TAX (State or City)**

**Qualifications for Exemption / Deduction**

- ❖ Purchaser must be in the business of reselling what we sold to them
- ❖ Purchaser must be able to provide proof of business.
  - Mexican national business must be able to provide
    - RFC license
    - Dealers License - Duly Authorized Mexican Registration (if applicable)
- ❖ Purchaser must be able to provide a current completed copy of a form 5000 exemption certificate
- ❖ When a Parent Company is on the TPT license, but a subsidiary company or affiliate is purchasing, the Parent Company must be able to provide a listing of the names and addresses of the Subsidiary Companies & Affiliates that are allowed to purchase under the same license

# Content #2B (B)

## Mexican National Business

### - Resale Exemption

Wholesale sales only!

NO TAX (State or City)

#### Required Documentation & Self Audit Examination

- ❖ **RFC - Business license**
  - Verify we have a copy of the RFC License
  - Verify the number is on the form 5000A – Resale Certificate
  
- ❖ **Duly Authorized Mexican Registration form - Dealers license**
  - Verify we have a copy of the RFC License
  - Verify current
  
- ❖ **Uniform Border States Certificate**
  - Verify all information is completed
  - Verify the same information on the form is the same throughout the deal
    - Buyers or wholesale order
    - RFC - Business license
    - Form 5000A – Resale Certificate
  
- ❖ **Form 5000A (Resale Certificate)**
  - Verify the Purchaser's information: Business name and address is completed in full
  - Verify the Name and Address are the same as the Business License
  - If the form 5000A is an Annual certificate, verify the date of the deal is within the range of the certificate. If the deal is not within the range of the certificate, we need a copy of a new certificate
  - Annual Certificates are to be renewed annually
  - Verify that the precise nature of Purchaser's business is provided, and if the answer is logical
  - Verify "Description of Property Being Purchased" denotes the Make, Model & VIN number of the new purchased vehicle
  - Verify the signature and title of the person signing on behalf of the business is on the form
  - Verify the signature date is, approximately, the date of the deal





Arizona Form 5000A

Arizona Resale Certificate

- Use this form to purchase tangible personal property for resale in the ordinary course of business.
- Wholesalers must have a Transaction Privilege Tax ("TPT") or other state's Sales Tax License to purchase tangible personal property for resale.

This Certificate is prescribed by the Department of Revenue pursuant to A.R.S. § 42-5022. The purpose of the Certificate is to document the purchase of tangible personal property for resale in the purchaser's regular course of business. It is to be filled out completely by the purchaser and furnished to the vendor. The vendor shall retain this Certificate for single transactions or for specified periods as indicated below. This Certificate shall be obtained from the purchaser at the time of the sale. Incomplete Certificates are not considered to be accepted in good faith.

<b>A. Business Name and Address:</b>		<b>B. Check Applicable Box:</b>	
Name	*TPT/Sales Tax License No.	<input type="checkbox"/> Single Transaction Certificate	← or ↓
Address		<input type="checkbox"/> Period From _____ Through _____	
City	State ZIP Code	<i>You must choose specific dates for which certificate will be valid not to exceed a 12 month period.)</i>	
Vendor's Name Earnhardt . . . .			

**C. Precise Nature of Purchaser's Business:**

**D. Description of Property Being Purchased:**

year, make, model VIN #

**E.**

The following sales of tangible personal property do not require the purchaser to provide a TPT or other Sales Tax License (check appropriate box):

- Sales to the U.S. government or its departments or agencies for resale (purchased directly by the Federal Government).
- Sales to an unlicensed Arizona School District for resale (purchased directly by the school district).
- Sales to a nonprofit charitable I.R.C. § 501(c)(3) organization for resale. (Attach I.R.S. determination letter to this form.)
- Sales to a nonprofit charitable I.R.C. § 501(c)(3), (c)(4), or (c)(6) organization associated with a major league baseball team or a national professional golfing association for resale. (Attach I.R.S. determination letter to this form.)
- Sales to a nonprofit charitable I.R.C. § 501(c)(3), (c)(4), (c)(6), (c)(7), or (c)(8) organization that sponsors a rodeo featuring farm and ranch animals for resale. (Attach I.R.S. determination letter to this form).
- Sales to a nonprofit charitable I.R.C. § 501(c)(6) organization that produces, organizes, or promotes a cultural or civic related festival or event - for resale. (Attach I.R.S. determination letter to this form).

**F. Certification**

A seller that has reason to believe that this Certificate is not accurate, complete, or applicable to the transaction may not accept the Certificate in good faith and the seller will not be relieved of the burden of proving entitlement to the exemption from tax. A seller that accepts a Certificate in good faith will be relieved of the burden of proof and the purchaser may be required to establish the accuracy of the claimed exemption from tax as provided in A.R.S. § 42-5009. Subsequent use or consumption of the tangible personal property by the purchaser other than sale in the ordinary course of business will subject the purchaser to the Arizona use tax. Willful misuse of this Certificate will subject the purchaser to criminal penalties of a felony pursuant to A.R.S. § 42-1127(B).

I, (print full name) \_\_\_\_\_, hereby certify that these purchases are for resale in the ordinary course of business and that the information on this Certificate is true, accurate and complete. Further, if purchasing as an agent or officer, I certify that I am authorized to execute this Certificate on behalf of the purchaser named above.

→ Purchaser or Agent Signature \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_