### **Content #8**

# **Interstate Commerce Exemption**

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## Content #8A Interstate Commerce

### **Qualifications for Exemption / Deduction**

NO TAX (State or City)

- Must be a non-resident (individual or entity) of Arizona
- The non-resident must not have been in Arizona when the order originated
- The order must be received from a location outside of Arizona
- The retailer ships or delivers the tangible personal property to a location outside of Arizona.
- \* Retailer is responsible for payment of the vehicle being transported
- ❖ A 90-day nonresident drive out permit must be issued for the vehicle and the permit affidavit for the vehicle must be signed

Should <u>NOT</u> be a hint of Arizona in the deal what-so-ever or the customer visiting the dealership (otherwise the deal does not qualify for this exemption)

## Content #8B Interstate Commerce Exemption

#### Required Documentation & Self Audit Examination

#### Out-of-state documentation

- Verify documents are in the deal reflective of an order generated from outof-state. Documents can include:
  - Purchase orders
  - Letters
  - Telephone messages
  - Email correspondence
  - Faxes as well as correspondence communicating back and forth from out-of-state:
- Shipment of legal purchase documents (i.e., Finance contracts, B/O, Exempt form) to and from Out-of-State
  - Fed Ex
  - UPS
  - Certified or Registered Mail
- Verify the name and address are on all documents throughout the deal:
  - TPT License (if applicable)
  - Form 5000
  - Buyers order (B/O)
  - Payment for purchase

#### All documents throughout the deal must reflect an Out-of-State Address

#### **❖** Bill-of-Lading (BOL)

- o Verify the BOL notes:
  - Make, Model & VIN of the vehicle in the deal
  - Where the unit was picked up from
  - Date when the transport picked up the vehicle
  - Delivery to the state of residency claimed. (If not delivered to the State of residency, an explanation should be in the deal)
- Verify in the deal, that we were invoiced for the payment of transportation services

#### ❖ Form 5000 – Exemption Certificate

- Purchaser's name and out-of-state address must be completed. Name could include the following:
  - Individuals name
  - Trust Name
  - Business Entity Name
- o Verify the certificate Single Transaction Certificate is marked
- Verify the Reason for Exemption has Boxes 14 & 15 marked ...with the proper statues and descriptions (see example)
- Verify description of property (vehicle) purchased denotes the Make, Model & VIN number
- Verify the signature and title of the person completing the form. Signature of Purchaser should include:
  - Individual Purchaser's name, or
  - Business Entity Representative/Agent's name. <u>Title</u> should include the position the Representative/Agent holds
- O Verify the signature date is, approximately, the date of the deal



## Arizona Form 5000

#### Transaction Privilege Tax Exemption Certificate

Continued on page 2 →

- Do not use Form 5000 to claim sale for resale. Use Form 5000A.
- Do not use Form 5000 if you are a non-TPT licensed contractor. Use Form 5000M.

This Certificate is prescribed by the Department of Revenue pursuant to A.R.S. § 42-5009. The purpose of the Certificate is to document and establish a basis for state and city tax deductions or exemptions. It is to be filled out completely by the purchaser and furnished to the vendor at the time of the sale. The vendor shall retain this Certificate for single transactions or for the specified period as indicated below. Incomplete Certificates are not considered to be accepted in good faith. Only one category of exemption may be claimed on a Certificate.

Name	B. Check Applicable Box:				
	4				
Address	Single Transaction Certificate				
	Period From Through				
City State ZIP Code	Period From Through				
Vendor's Name	(You must choose specific dales for which certificate will be valid not t				
Total of Table	exceed a 12 month period.)				
C. Choose one transaction type per Certificate:					
☐ Transactions with a Business	☐ Transactions with Native Americans & Native				
	American Businesses (See reason #12.)				
Arizona Transaction Privilege Tax (TPT) License Number	Tribal Business License Number OR Tribal Number				
SSN/EIN					
	Name of Tribe				
Other Tax License Number	<b>7</b>				
	Transactions with a U.S. Government entity				
no license, provide reason:	(See reasons #9 and #10.)				
recise Nature of Purchaser's Business	☐ Transaction with a Foreign Diplomat (See reason #13				
uthority for another exemption (deduction). Refer to womplete list of state and city exemptions (deductions) and the state and property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be leased or rented in the ordinary could be a second property to be a second property to be second pro	le pusiness classes (codes) under which the deduction				
2. Tangible personal property to be incorporated into a taxable contract	rse of the nurchaser's licensed business				
	ing project or a maintenance respired by				
o. 1 ood, drink, or conditients purchased by a restaurant business.	ing project, or a maintenance, repair, replacement or alteration project.				
<ol> <li>Pipes or valves four inches in diameter or greater to be used for trans</li> </ol>	ing project, or a maintenance, repair, replacement or alteration project.				
Pipes or valves four inches in diameter or greater to be used for trans     Aircraft, navigational and communication instruments and related accommunication.	ing project, or a maintenance, repair, replacement or alteration project.  sportation of oil, natural gas, artificial gas, water or coal slurry.				
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Your Name (as show			30 gan 1740		Arizona Transaction Privilege Tax License N
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of State. M	o.o. Department	or state Diplomatic	lax Exemption Ca	ard and any other	natic Tax Exemption Card. The vendor shall ret r documentation issued by the U.S. Depart gn Missions ("OFM"). See "Vehicle Tax Exemp
14.*Other Deduc	ction: Cite the Arizon	a Revised Statutes	authority for the ded	uction. A.R. <mark>S.§_4</mark>	12-5061.A.24
Description:					
15.*Other Cities	Deduction: Cite the N	Model City Tax Code	authority for the de	duction. M.C.TC	ARTICLE IV - 465.
Description:	Interstate Com	nmerce			
Refer to www.azdousiness classes (cod	er.gov/Forms/Tran	nsactionPrivilege deductions apply.	Tax.aspx for a con	plete list of state	and city exemptions (deductions) and the
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