

## Exempt Purchases of Tangible Personal Property or Services for Low and Moderate Income Housing Facilities

**General Purpose:** Sponsors, owners, or operators of low and moderate income housing facilities, as well as contractors for the construction, renovation, repair, maintenance, or operation of these facilities, should use this certificate to purchase tangible personal property or services to be incorporated into or to be used and consumed exclusively in the operation of the facilities. The tangible personal property may be materials that will be physically incorporated into a construction project or supplies or equipment that will be used and consumed in the operation of the facility after its construction. The services may be renovation, repair, maintenance, janitorial, landscaping, or other services.

If the tangible personal property or services are not used in the manner described above, a purchaser who claimed an exemption owes use tax on the total price of the property.

**Statutory Authority:** Conn. Gen. Stat. §12-412(29).

**Instructions for the Purchaser:** Use this certificate for purchases of tangible personal property or services to be incorporated into or used and consumed exclusively in the operation of a low and moderate income housing facility. To qualify for the exemption from sales and use taxes afforded by Conn. Gen. Stat. §12-412(29), you must present this certificate to the retailer at the time of the purchase of the qualifying tangible personal property or services together with a signed and dated copy of the Facility Approval Letter from the Department of Revenue Services (DRS) identifying the low and moderate income housing facility named in this certificate and acknowledging that the facility is entitled to the exemption. Keep a copy of this certificate and records that substantiate the information entered on this certificate for at least six years from the date it is issued.

**Instructions for the Seller:** Acceptance of this certificate, when properly completed, relieves the seller from the burden of proving that tangible personal property or services are not subject to sales and use taxes when the tangible personal property or services will be incorporated into or used and consumed exclusively in the operation of a low and moderate income housing facility. The certificate is valid only if taken in good faith from a sponsor, owner, or operator of a low and moderate income housing facility, as described in Conn. Gen. Stat. §12-412(29), or from a contractor under contract with a sponsor, owner, or operator of the facility. Attach a signed and dated copy of the Facility Approval Letter from DRS identifying the low and moderate income housing facility named in the certificate and acknowledging that the facility is entitled to the exemption. The good faith of the seller will be questioned if the seller knows of facts that suggest the purchaser does not intend to use the property or services in connection with the low and moderate income housing facility identified in the Facility Approval Letter, or that the purchaser is not the sponsor, owner, or operator of the facility, or a contractor under contract with the sponsor, owner, or operator. Keep this certificate and bills or invoices to the purchaser for at least six years from the date of purchase. The bills, invoices, or records covering the purchase made under this certificate must be marked to indicate an exempt purchase was made. The words “Exempt under CERT-126” satisfy the requirement.

This certificate may be used for individual purchases, in which case the box marked “Certificate for One Purchase Only” must be checked. This certificate may also be used for a continuing line of exempt purchases, in which case the box marked “Blanket Certificate” must be checked. A blanket certificate remains in effect for three years unless the purchaser revokes it in writing before the period expires.

**For More Information:** Call Taxpayer Services at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS Web site at [www.ct.gov/DRS](http://www.ct.gov/DRS)

