

State of Maryland  
Comptroller of Maryland  
**Compliance Division**  
301 West Preston Street  
Baltimore, MD 21201-2383

## Exemption Certification for Utilities or Fuel Used in Production Activities

### Instructions

- A. This form is to be used to claim from suppliers the sales and use tax exemption for utilities consumed in a production activity. The completed form is to be provided to the supplier and not to the Compliance Division.
- B. This form is **not** to be used to claim a resale exclusion or exemption other than the production activities exclusion.
- C. This form is **not** to be used to claim exemption for purchases other than those of gas, electricity, steam, oil or coal.
- D. Purchases of utilities and fuel by retail food vendors for use in processing food for sale are not eligible for exemption.

### Supplier:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
City or town, state & ZIP

### Buyer:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Sales and use tax registration number

\_\_\_\_\_  
Street address

\_\_\_\_\_  
City or town, state & ZIP

### Type of utility fuel (Check appropriate box):

Gas

Electricity

Steam

Oil

Coal

If applicable, enter:

\_\_\_\_\_  
Service location

\_\_\_\_\_  
Meter number(s)

\_\_\_\_\_  
Utility account number

### Describe the purpose to which the utilities or fuel are being used, specifying the products produced:

\_\_\_\_\_  
\_\_\_\_\_  
I HEREBY CERTIFY under penalties of perjury that the above described utilities or fuel will be consumed directly and predominantly within the meaning of Regulation .10 (See reverse side of this form for pertinent provisions of Regulation .10.) I understand that purchases of utilities and fuel by retail food vendors for use in processing food for sale are not eligible for exemption.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Telephone number

\_\_\_\_\_  
Title

# Regulation .10 Natural and Artificial Gas, Electricity, Steam, Oil and Coal

## A. Consumption in Production Activities.

- (1) The sale of gas, electricity, steam, oil or coal, consumed directly and predominantly in a production activity is not subject to the tax. Production activities do not include processing food or a beverage by a retail food vendor or operating administrative or commercial facilities, such as offices, sales and display rooms, retail outlets and storage facilities, including refrigerated storage facilities.
- (2) If electricity, gas or steam is sold through a single meter for both exempt and taxable uses, the purpose which consumes the majority of the electricity, gas or steam is the basis for determining the taxability of the sale. The buyer shall determine the majority usage, considering the relative connected load for each purpose and the relative time of operation of each over a period of one year, unless the circumstances of a particular case require a different period. Similarly, the taxability of purchases of oil or coal is determined by the majority use where it is impracticable to measure separately the amount purchased for each purpose.
- (3) If the sale of electricity or natural gas is exempt from tax, the sale of the transmission, distribution, or delivery of that electricity or natural gas is also exempt from tax.
- (4) In order to obtain this exclusion, the buyer of gas, electricity, steam, oil or coal shall present to the vendor of the commodity and the vendor of the transmission, distribution, or delivery service a certification, upon a form available from the comptroller, setting forth the basis for the claimed exemption. Upon presentation of the completed and signed form, the vendor may not collect the tax until notified by the comptroller to resume collection or until the certification is revoked by the buyer. The buyer shall revoke the certification when no longer entitled to exclusion under the terms of this regulation.

## B. Exempt Buyers.

- (1) A person operating a non-profit religious, charitable, or educational organization possessing an exemption certificate issued by the comptroller under Regulation .22, and other persons possessing an exemption certificate issued by the comptroller, may claim exemption for the tax on gas, electricity, steam, oil, coal or the transmission, distribution, or delivery of electricity or natural gas by providing a photocopy of this certificate to the vendor.
- (2) A member of a foreign diplomatic corps may purchase gas, electricity, steam, oil, coal or the transmission, distribution, or delivery of electricity or natural gas free of tax by presenting to the vendor the evidence of exemption issued by the United States Department of State.

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### **Special Instructions for Restaurants and Other Food Servers**

Purchases of utilities and fuel by retail food vendors for use in processing food for sale are not eligible for exemption.