



TENNESSEE DEPARTMENT OF REVENUE
Application for Pollution Control
Sales and Use Tax Exemption

1. Business Owner _____ FEIN or SSN _____

2. Mailing Address _____
Street City State ZIP Code

3. Sales Tax Account No. _____ Location Identifier _____

4. Location of Pollution Control Project _____
Street City County

5. Business Contact _____
Name Phone Number (Required) Email Address

6. Application is for authorization to (Check one):

- a. [] purchase qualified pollution control items exempt from sales and use tax
b. [] receive a refund or credit for sales and use tax paid on purchases of qualified pollution control items

7. Describe the business's activities, and list pollution created in the course of conducting the activities.

8. List the federal, state, or local pollution control laws or regulations with which the business must comply. Attach copies of correspondence or certificates from regulatory authorities. _____

9. Pollution Control Project (see instructions) Start Date _____ Completion Date _____
MM/DD/YYYY MM/DD/YYYY

10. Is a contractor purchasing and installing the pollution control items? [] Yes [] No

If yes, provide the following information, and submit a copy of the contract with this application.

Contractor's Name Sales Tax Account No. Begin Contract Date End Contract Date

Contractor's Mailing Address City State ZIP Code Phone No. (Required)

Describe the nature of the contract as it applies to the pollution control system, method, improvement, device, structure, or appliance installed by the contractor that is required to bring the business into compliance with pollution control laws and regulations. _____

11. Attach a schedule of the pollution control items required, including a description of the use of the item to bring the business into compliance with pollution control laws and regulations.

Affidavit of Applicant

Under penalties of perjury, I declare that to the best of my knowledge this information is true and correct. I understand that any authority given as a result of this application will be limited to the pollution control system, method, improvement, device, structure, or appliance that is required and primarily used to bring the business into compliance with federal, state, or local pollution control laws and regulations.

I understand that any contractor(s) listed on this application may be authorized to make tax exempt purchases on behalf of the business by presenting a pollution control exemption certificate issued for this project. The contractor(s) may also directly receive refunds of taxes paid for pollution control items for the project that will be owned or leased by the business.

The information contained in this application is subject to audit by the Department of Revenue, and it may result in the assessment of additional taxes, penalties, and interest if the statutory requirements for the sales and use tax exemption are not met.

Print Name _____

Title _____

Signature _____

Date _____

Please mail application to:
Tennessee Department of Revenue
Taxpayer Services Division
500 Deaderick Street
Nashville, TN 37242

Tenn. Code Ann. § 67-6-346 provides a sales and use tax exemption for any system, method, improvement, structure, device, or appliance that is required and primarily used to bring a business into compliance with federal, state, or local pollution control laws or regulations. The exemption also includes sales and use tax on repair parts, and repair and installation services for a pollution control system, method, improvement, structure, device or appliance that is required and primarily used for pollution control. The exemption is available only to businesses that are required to comply with pollution control laws or regulations when creating pollution in the course of its regular business activities. The exemption is not available to entities that process, treat, or control pollution created by others. Entities whose business operations or activities involve soliciting waste or pollutants from the producers of the waste or pollutants to process, treat, or control the pollution will not qualify for the exemption.

In addition to the above exemptions, state law also has separate emission control exemptions for automobile body paint shops and dry cleaners. Tenn. Code Ann. § 67-6-507(i) provides an exemption or credit for 100% of the sales and use tax on equipment purchases by automobile body paint shops, when those purchases are made so that the business can maintain compliance with emission control standards and regulations. Tenn. Code Ann. § 67-6-507(j) provides a credit or exemption of 50% of the sales and use tax for purchases of replacement equipment that dry cleaners purchase in order to comply with emission control standards imposed by governmental agencies.

A business must apply for a Pollution Control Sales and Use Tax Exemption Certificate from the Department for each pollution control project in order to make tax exempt purchases of qualified pollution control items during the designated pollution control compliance project period. If sales tax is paid on qualifying pollution control items after an exemption certificate is issued, the business or its authorized contractor(s) must provide its exemption certificate to the supplier to obtain a refund of the tax paid. If sales tax is paid on qualifying pollution control items prior to the issuance of the exemption certificate for the project, the business or its authorized contractor(s) may obtain a refund for tax paid from the supplier or may obtain a refund or credit for tax paid directly from the Department. If applying for a refund or credit of tax paid from the Department on pollution control items, the business or its authorized contractor(s) must also submit the [Claim for Credit or Refund of Sales or Use Tax](#) and provide copies of purchase invoices for the pollution control items showing tax paid. The application for pollution control exemption must be approved before a refund will be initiated or before any credit may be taken on the sales and use tax return.

A business may hire a contractor to construct or install pollution control items that are required to bring the business into compliance with pollution control laws or regulations. If the contractor will be purchasing materials to construct or install pollution control items for the business, the business must include the contractor's business information, a description of the contractor's duties as it applies to the business's compliance mandates, and a copy of the agreement between the contractor and the business. If there is more than one contractor for the project, the business must attach a list of the contractors with all requested information and copies of each contract. The Department will issue a Pollution Control Sales and Use Tax Exemption Certificate to the business and each qualifying contractor. The certificates will be valid only for the pollution control compliance project period. Contractors may use certificates to make tax exempt purchases of pollution control items that will be owned or leased by the business.

Instructions:

- 1) - 5) Complete your business information.
- 6) Check box (a) if you are seeking an exemption certificate for yourself or for your contractor to make sales and use tax exempt purchases of pollution control items. Check box (b) if you are seeking a refund or credit of sales and use tax paid on qualified pollution control items. If you are seeking a refund or credit, you also must submit a completed Claim for Credit or Refund of Sales or Use Tax, and you must attach copies of purchase invoices and any other documents showing that the sales and use tax has been paid. If tax is paid on qualifying pollution control items after you received the pollution control exemption certificate for the project, you must provide the exemption certificate to your supplier to obtain a refund of the tax paid from the supplier.

- 7) Describe your business activities, and list the pollution created in the course of conducting such activities. Automobile body paint shops or dry cleaners must indicate those business activities.
- 8) Provide citations and copies of federal, state, or local pollution control laws or regulations that the business must comply with as it applies to this application. Provide copies of any correspondence or other documents or certificates from federal, state, or local regulatory authorities as they relate to pollution control mandates.
- 9) If you are applying for the pollution control exemption for a specific pollution control project, provide the anticipated start and end dates of the project. If, however, you have a continuous and ongoing need for the pollution control exemption that is not for a specific project (e.g., annual inspection and repair of pollution control equipment), provide a start date and leave the completion date line blank. You should also include an explanation of your ongoing pollution control need in the schedule required under Line 11. Under these circumstances, the Department will issue an exemption certificate that is valid for up to three years.
- 10) If a contractor will be purchasing pollution control items or materials to construct or install a pollution control system, method, improvement, structure, or equipment on your behalf, check the box yes, and provide all the requested information for the contractor. If there is more than one contractor for this project, attach a list of the contractors with all requested information and provide copies of each contract.
- 11) Attach a schedule of the pollution control items, and include a description of the use of each item to bring the business into compliance with pollution control laws and regulations.