

## ARIZONA SALES TAX RULES SUMMARY

9 N 41st Ave, Phoenix, AZ 85009

**Asset Type:** Messer 5-Axis CNC Plasma Cutter, Accurpress 250-Ton x 14' CNC Press Brake, Accurshear 1/4" x 14' Shear, Hyd-Mech S-20A Band Saw, Gorbelt Bridge Crane, Paint Booth

### Tax Rate: Tiered Structure

- 8.6% (for transactions up to \$10,303)
- 8.3% (for transactions >= \$10,303.01)

### EXEMPTIONS:

#### Manufacturing Machinery and Equipment:

Machinery and equipment purchased by a manufacturer for use in a manufacturing process are exempt from sales tax. Manufacturing process constitutes the entire primary manufacturing or processing operation from the initial stage where actual processing begins through the completion of the finished product, processing, finishing or packaging of articles of commerce. (Ariz. Admin. Code sec R15-5-120, sec. R15-5-2320)

The following items are also exempt:

- Replacement parts for use in non-taxable machinery.
- Manufacturing tools (excluding hand tools) purchased by a manufacturer for use in the manufacturing process.
  - Includes manufacturing aids such as fixtures, jigs, gauges, molds, dies, cutting equipment and patterns.
- Research and development equipment used in designing, developing or testing prototypes, process or new products.
  - R&D equipment **does not** include manufacturing quality control, routine consumer product testing, market research, nor sales promotion or service. (Ariz. Rev. Stat. sec. 42-5159)
- The following items are **taxable**:
  - Forklifts, loaders, conveyors, conveyor parts, material handling equipment used for handling, moving and storing raw materials or finished products.

#### Resale Exemption:

Sales for resale, in the buyer's normal course of business, are nontaxable. Each seller must require proof that the buyer is in the business of reselling the property and is licensed by the Department (unless the purchaser is outside Arizona), with a signed statement or resale certificate, Form ADOR 5000A (see below). The burden of proving that a sale of tangible personal property is not a sale at retail shifts from the seller to the buyer if the buyer provides an exemption certificate stating that the property is purchased for resale, and the buyer has a resale license. (Sec. 42-5022, A.R.S.).

Border States Uniform Sale for Resale Certificate.— Businesses buying goods for resale in Arizona, California, New Mexico, Texas, or in the northern border strip and border region of Mexico that will be transported across state or national borders may use the border resale certificate instead of a state resale certificate. (Form 60-0081, Border States Sale for Resale Certificate (revised 4/03)) When an Arizona seller accepts a border resale certificate from a Mexican buyer, the buyer also must provide a Mexican Merchant Registration Form. ( *Transaction Privilege Tax Procedure, TPP 95-2*, November 15, 1996)

<https://azdor.gov/forms/tpt-forms/border-states-uniform-sale-resale-certificate-english-only-fillable>

#### Sales to Nonresidents:

Sales of assets delivered to the buyer or the buyer's agent in Arizona are subject to Arizona sales tax.

#### Forms:

Exemption Certificate, Form 5000 - <https://azdor.gov/forms/tpt-forms/tpt-exemption-certificate-general>

AZ resale certificate Form 5000A - <https://azdor.gov/forms/tpt-forms/arizona-resale-certificate>

AZ does not accept the MTC multi-jurisdiction exemption certificate.