

MANUFACTURERS' CERTIFICATE

(SEE INSTRUCTIONS ON REVERSE SIDE)

PART I - TO BE EXECUTED BY MANUFACTURERS IN CONNECTION WITH PURCHASES OF MILL MACHINERY AND MILL MACHINERY PARTS AND ACCESSORIES.

VENDOR _____

(ADDRESS OF VENDOR)

Pursuant to the authority granted under North Carolina General Statute 105-264, the Secretary of Revenue authorizes the use of this certificate.

The undersigned manufacturer hereby certifies that the tangible personal property purchased pursuant to this certificate and identified hereon by said manufacturer is being purchased for use as mill machinery or machinery parts and accessories to which the 1% rate of State tax, maximum \$80.00 per article is applicable as provided by statute. If it is determined that the tangible personal property is subsequently used in a manner that renders it subject to the 4% State tax and any applicable local rate of tax, the undersigned manufacturer (purchaser) agrees to assume liability for the additional tax, plus interest and any applicable penalties, and will remit payment thereof directly to the North Carolina Department of Revenue.

(DESCRIPTION OF PROPERTY PURCHASED)

(Purchase order or contract number. If not available, attach itemized list of property.)

(DATE)

PURCHASER _____

(ADDRESS OF PURCHASER)

(SIGNATURE OF PURCHASER OR AUTHORIZED AGENT-TITLE)

PART II - TO BE EXECUTED BY MANUFACTURERS IN CONNECTION WITH PURCHASES OF ITEMS THAT WILL ENTER INTO OR BECOME AN INGREDIENT OR COMPONENT PART OF THEIR MANUFACTURED PRODUCTS.

VENDOR _____

(ADDRESS OF VENDOR)

Pursuant to the authority granted under North Carolina General Statute 105-264, the Secretary of Revenue authorizes the use of this certificate.

The undersigned manufacturer hereby certifies that the tangible personal property purchased pursuant to this certificate will enter into or become an ingredient or component part of the purchaser's manufactured products and is exempt from sales and use tax as provided by statute. If it is determined that the tangible personal property is subsequently used in a manner that renders it subject to State and/or local sales and use taxes, the undersigned purchaser agrees to assume liability for the tax, plus interest and any applicable penalties, and remit payment thereof directly to the North Carolina Department of Revenue.

(DESCRIPTION OF PROPERTY PURCHASED)

(Purchase order or contract number. If not available, attach itemized list of property.)

(DATE)

PURCHASER _____

(ADDRESS OF PURCHASER)

(SIGNATURE OF PURCHASER OR AUTHORIZED AGENT-TITLE)

Under the provisions of G.S. 105-236(7), any person who willfully attempts, or any person who aids or abets any person to attempt in any manner to evade or defeat any tax imposed by the Statute, or the payment thereof, shall, in addition to other penalties provided by law, be guilty of a Class I felony which may include a fine up to twenty-five thousand dollars (\$25,000).

INSTRUCTIONS

1. **Part I** of a Manufacturers' Certificate may be completed by a manufacturer or processor and accepted by a retail or wholesale merchant as the authority for applying the 1% rate of State tax, maximum \$80.00 per article, to the sale or purchase of mill machinery or mill machinery parts and accessories.
2. **Part II** of a Manufacturers' Certificate may be completed by a manufacturer or processor and accepted by a retail or wholesale merchant in connection with the sale or purchase, without tax, of tangible personal property which the manufacturer will use as an ingredient or component part of its manufactured products for sale.
3. Manufacturers and processors who make purchases of mill machinery or mill machinery parts and accessories under Part I of the certificate shall furnish their vendors a separate certificate for each transaction. Manufacturers and processors who make purchases of ingredient materials under Part II of the certificate may furnish their vendors only one certificate to apply to frequent purchases of the same ingredient materials.
4. Certificates should be prepared in duplicate and copies retained by the manufacturer and vendor as a part of their permanent records.
5. Manufacturers will be held liable for any additional tax which is found to be due on property purchased under a Manufacturers' Certificate.
6. Vendors shall keep and preserve suitable records of the gross income, gross receipts and gross receipts of such business and such other books, records or accounts as may be necessary to determine the amount of tax for which they are liable. Such records must be retained for a period of three years and must be available for examination by the Secretary of Revenue or his duly authorized agent.
7. Manufacturers and processors purchasing mill machinery or mill machinery parts and accessories subject to the 1% rate of State tax, \$80.00 maximum per article or purchasing tangible personal property which will enter into or become an ingredient or component part of the purchaser's manufactured products and is exempt from tax shall furnish to a retail or wholesale merchant either:
 - (a) A Manufacturer's Certificate, Form E-575; or
 - (b) Other evidence in writing adequate to support the charging of the 1% State rate of sales tax or to support exempting the sale from the tax.