

TAX EXEMPTION CERTIFICATION FOR MACHINERY AND EQUIPMENT

PURCHASING SERVICES
WASHINGTON STATE UNIVERSITY
PULLMAN, WA 99164-1020
509-335-3541

DEPT. REQUISITION NO.

Equipment purchased for University research and development activities may qualify for tax exemption. The tax exemption is allowable under RCW 82.08.02565, known as the Machinery and Equipment Tax Exemption, or the "M&E Exemption." Qualifying usage is the only requirement for this exemption. See 70.42 for complete definitions of qualifying usage.

The equipment listed on the attached Department Requisition (see 70.10):

- Must have a useful life of more than one year.
- Is not a hand-powered tool.
- Is not a consumable.
- If a building fixture, must be integral to research and development activity.

The tax exemption does not apply to the following applied uses of goods and services (RCW 82.080.02565):

- Adaptation or duplication of existing products not substantially improved by application of technology
- Social science and humanities research
- Quality control
- Computer software developed for internal department use
- Research in areas such as improved style, taste, and seasonal design
- Market research or testing
- Sale promotion or service
- Surveys and studies

The principal investigator or departmental researcher, the department Chair or Director, and the Dean or Chancellor must certify that the item meets all of the exemption criteria described above *and* selected below.

<p>GOODS AND SERVICES LISTED ON ATTACHED REQUISITION ARE DESCRIBED AS: (Must check one or more.)</p> <p><input type="checkbox"/> Machinery or equipment to be directly used more than 50% of the time in a research and development operation.</p> <p><input type="checkbox"/> Machinery or equipment to be directly used more than 50% of the time in testing operations.</p> <p><input type="checkbox"/> Machinery or equipment to be directly used more than 50% of the time in an approved manufacturing operation where more than half of the sales are to an outside vendor (e.g., cheese manufacturing).</p> <p><input type="checkbox"/> Labor and services rendered to install, repair, clean, alter, or improve qualified equipment.</p> <p><input type="checkbox"/> Parts that increase productivity, improve efficiency, or extend useful life of qualified equipment.</p>

<p>APPLIED USE OF THE EQUIPMENT QUALIFIES AS RESEARCH AND DEVELOPMENT BECAUSE ITEM WILL BE USED FOR: (Must check one or more.)</p> <p><input type="checkbox"/> Activities performed to discover technological information, and technical and nonroutine activities concerned with translating technological information into new or improved products, processes, techniques, formulas, inventions, or software.</p> <p><input type="checkbox"/> Exploration of a new use for an existing drug, device, or biological product if the new use requires separate licensing by the Federal Food and Drug Administration under 21CFR, as amended.</p>

<p>DESCRIBE THE EQUIPMENT, PART, OR SERVICE AND THE SPECIFIC RESEARCH AND DEVELOPMENT OR TESTING APPLICATION OF THE EQUIPMENT REQUISITIONED:</p>
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By signing below, the following personnel certify that the equipment and its applied use meet the above criteria. Penalties, if assessed, will be charged back to the department.

PRINCIPAL INVESTIGATOR OR DEPARTMENTAL RESEARCHER
SIGNATURE
NAME
TITLE
DATE

DIRECTOR OR CHAIR
SIGNATURE
NAME
TITLE
DATE

DEAN OR CHANCELLOR
SIGNATURE
NAME
TITLE
DATE