



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
CN 269
TRENTON NJ 08646-0269

CHRISTINE TODD WHITMAN
Governor

BRIAN W. CLYMER
State Treasurer
In reply respond to:

January 29, 1996

(609) 292-5994
Fax (609) 989-0113

Henry O. Smith
Pumping Services, Inc.
368 Lincoln Blvd.
P.O. Box 125
Middlesex, NJ 08846

Dear Mr. Smith:

I am writing in response to your inquiry concerning the sale and rental of pumping equipment to a contractor involved in the construction and maintenance of sewerage pump stations for municipal, industrial and commercial applications.

The Sales and Use Tax Act provides an exemption for machinery, apparatus, and equipment for use in the operation of a sewerage system. N.J.S.A. 54:32B-8.13(b). Pump station components for sanitary sewer system access are entitled to exemption when purchased by a contractor for installation as a component of the real property. For purposes of the exemption, it doesn't matter whether the sewerage flows into the municipal sewerage system or is treated "in house." As long as you are selling qualified equipment as opposed to providing pumping services to contractors, you may accept an Exempt Use Certificate (ST-4) from your customers. This is not clear from your letter, since you mention supplying "rental" equipment which seems to negate the intent of the exemption.

Very truly yours,

Denise M. Lambert
Tax Services Specialist
Tax Services Branch
Technical Services Activity

DML:sp

MAY BE REPRODUCED

ST-4 (7-84, R-3)

State of New Jersey

DIVISION OF TAXATION
SALES TAX

EXEMPT USE CERTIFICATE

FORM ST-4

To be completed by purchaser and given to and retained by vendor. Read instructions on back of this Certificate.

THIS CERTIFICATE MAY NOT BE USED IN CONNECTION WITH THE PURCHASE OF SERVICES

PURCHASER'S
CERTIFICATE OF AUTHORITY NUMBER

ELIGIBILITY NONREGISTERED
PURCHASER: SEE INSTRUCTIONS**

TO Pumping Services, Inc.
(Name of Vendor)

Date _____

368 Lincoln Blvd.
Address

Middlesex
City

NJ
State

08846
Zip

The undersigned purchasers certifies that it is not required to pay the New Jersey Sales and/or Use Tax on the purchase or purchases covered by this Certificate because the tangible personal property purchased will be used for an exempt purpose.

The tangible personal property will be used for the following exempt purpose:

Pump station used in the operation of a sewerage system.

The exemption on the sale of the tangible personal property to be used for the above described exempt purpose is provided in subsection N.J.S.A. 54:32B-8.13(b) (See reverse side for listing for principal exempt uses of tangible personal property and fill in the block with proper subsection citation).

I, the undersigned purchaser, have read and complied with the instructions and rules promulgated pursuant to the New Jersey Sales and Use Tax Act with respect to the use of the Exempt Use Certificate, and it is my belief that the vendor named herein is not required to collect the sales or use tax on the transaction or transactions covered by this Certificate. The undersigned purchaser hereby swears (under the penalties for perjury and false swearing) that all of the information shown in this Certificate is true.

A VENDOR SHOULD READ AND COMPLY WITH THE INSTRUCTIONS GIVEN ON BOTH SIDES OF AN EXEMPTION CERTIFICATE.

NAME OF PURCHASER (as registered with the Division of Taxation)

By

(Signature of owner, partner, officer of corporation, etc.) or qualified officer of Agency

(Address of Purchaser)