

ST-587 Exemption Certificate (for Manufacturing, Production Agriculture, and Coal and Aggregate Mining)

General Information

When is an Exemption Certificate required?

Generally, an Exemption Certificate is required for proof that no tax is due on any sale that is made tax-free as a sale of machinery or equipment used in graphic arts production, manufacturing machinery, equipment, and tangible personal property to be used primarily in manufacturing or assembling of tangible personal property, production agriculture, or coal and aggregate mining. Effective July 1, 2019, the manufacturing machinery and equipment exemption includes production related tangible personal property, such as supplies and consumables including fuels, coolants, solvents, oils, lubricants, and adhesives, hand tools, protective apparel, and fire and safety equipment, primarily used or consumed in a manufacturing process. The purchaser, at the seller's request, must provide the information that is needed to complete this certificate.

Who keeps the Exemption Certificate?

The seller must keep the certificate. We may request it as proof that no tax was due on the sale of the specified items. **Do not** mail the certificate to us.

Can other forms be used?

Yes. You can use other forms or statements in place of this certificate but whatever you use as proof that an exempt sale of the qualified item was made must contain

- the seller's name and address;
- the purchaser's name and address;
- a description of the property being purchased;
- a statement that the property is being purchased for use primarily in (1) manufacturing or assembling of tangible personal property, (2) production agriculture, (3) coal and aggregate mining; and
- the purchaser's signature and date of signing.

Note: A purchase order signed by the purchaser may be used as an Exemption Certificate if it contains all of the previously stated required information.

When is a blanket Exemption Certificate used?

The purchaser may provide a blanket Exemption Certificate to any seller from whom all purchases made from the identified seller will be exempt. Qualified exemptions include items used:

- primarily in the manufacturing or assembling of tangible personal property for wholesale or retail sale or lease, including graphic arts production.
- primarily in production agriculture.
- primarily for coal and aggregate exploration and related mining, off-highway hauling, processing, maintenance, and reclamation, but excluding motor vehicles required to be registered under the Illinois Vehicle Code.

A blanket certificate can also specify that a percentage of the purchases made from the identified seller will be exempt. In either instance, blanket certificates should be kept up-to-date. If a specified percentage changes, a new certificate should be provided. Otherwise, all certificates should be updated at least every three years.

Specific Instructions

Step 1: Identify the seller

Provide the seller's name, address, and phone number on the lines provided.

Step 2: Identify the purchaser (lessor)

Provide the purchaser's (lessor's) name, address, phone number, and date of purchase on the lines provided. You must also write the purchaser's identification number on the corresponding line.

Step 3: Identify the lessee

If the purchaser is a lessor, provide the lessee's name, address, and phone number on the lines provided.

If the purchaser is not a lessor, leave this step blank and continue to Step 4.

Step 4: Identify the item(s) you are purchasing (leasing)

This includes machinery and repair/replacement parts. Provide the type of item(s) and serial number(s) on the lines provided.

Step 5: Identify how you will use the item(s) listed in Step 4

Check the appropriate box to indicate how the equipment will be used. You must complete this step if you are submitting this form as a blanket certificate.

Step 6: Blanket Certificate

Complete this step **only** if you are using this form as a blanket certificate.

Step 7: Sign Below

The purchaser must sign and date the form.