

Ohio Department of Taxation

SALES EXEMPTED OR EXCEPTED FROM SALES AND USE TAX

(With Ohio Revised Code References)

OH resale/exempt cert must have statement:

- * Tangible personal property to be resold in the form received. [5739.01(E)(1)]
- * Material incorporated as a part of tangible personal property produced for sale by manufacturing, assembling, processing, or refining. [5739.01(E)(2)]
- * Tangible personal property used or consumed in a manufacturing operation. [5739.01(E)(9)]
- * "Direct use" exceptions:
 - Material used or consumed directly in mining, farming, agriculture, horticulture, floriculture, or used in the production of and exploration for crude oil and natural gas. [5739.01(E)(2)]
 - Tangible personal property used directly in rendering a public utility service. [5739.01(E)(2)]
 - Tangible personal property used or consumed in the preparation for sale of printed material. [5739.01(E)(8)]
- * Sales where the purpose of the consumer is to use or consume the things transferred in making retail sales and consisting of newspaper inserts, catalogues, coupons, flyers, gift certificates, or other advertising material which prices and describes tangible personal property offered for retail sale. [5739.02(B)(37)(a)]
- * Sales to direct marketing vendors of preliminary materials such as photographs, artwork, and typesetting that will be used in printing advertising material, and of equipment such as telephones, computers, facsimile machines, and similar tangible personal property primarily used to accept orders for direct marketing retail sales. [5739.02(B)(37)(b)]
- * Copyrighted motion picture films for exhibition purposes unless solely used for advertising. (The rental or sale of films or tapes to individuals is taxable.) [5739.01(B)(5)]
- * The refundable deposit paid on returnable beverage containers, cartons, and cases. [5739.01(H)(1)]
- * Food for human consumption off the premises where sold. [5739.02(B)(2)]
- * Food sold to students in a dormitory, school cafeteria, fraternity or sorority house. [5739.02(B)(3)]
- * Food served without charge to employees as part of their compensation. [5739.02(B)(5)]
- * Items purchased with food stamps. [5739.02(B)(16)]

- * Newspapers. [5739.02(B)(4)]
- * Magazine subscriptions sent by second class mail. [5739.02(B)(4)]
- * Sales by churches and nonprofit charitable organizations (excluding sales of motor vehicles and house trailers) not exceeding six days in any calendar year. [5739.02(B)(9)]
- * Sales to nonprofit organizations operated exclusively in Ohio for certain charitable purposes as defined in sales tax law. [5739.02(B)(12)]
- * Sales to churches. [5739.02(B)(12)]
- * Sales to organizations exempt from taxation under Section 501(c)3 of the Internal Revenue Code of 1986. [5739.02(B)(12)]
- * Sales to a veterans' organization state headquarters. [5739.02(B)(34)]
- * Sales of animals by non-profit animal shelters and county humane societies. [5739.02(B)(29)]
- * Sales to U.S. government agencies. [5739.02(B)(10)]
- * Sales to the State of Ohio or any of its political subdivisions. [5739.02(B)(1)]
- * Casual sales except sales of motor vehicles, house trailers, boat and outboard motors that are required to be titled, snowmobiles, documented boats, and all-purpose vehicles. [5739.02(B)(8)]
- * Motor vehicles sold in Ohio to nonresidents for immediate removal and titling outside the State. [5739.02(B)(23)]
- * Motor vehicle fuel subject to the State motor fuel tax. [5739.02(B)(6)]
- * Motor vehicles and parts used for transporting tangible personal property by persons engaged in high-way transportation for hire. [5739.02(B)(33)]
- * Emergency and fire protection vehicles and equipment used by nonprofit organizations in providing emergency and fire-protection services for political subdivisions. [5739.02(B)(20)]
- * Prescription drugs, insulin, testing and injection materials used by diabetics, hospital beds, oxygen and oxygen-dispensing equipment when purchased for use by people with medical problems; artificial limbs and prosthetic devices; braces or other devices for weakened parts of the body; wheelchairs; crutches; ostomy appliances; epoetin alpha when purchased for use in the treatment of persons with end-stage renal disease; and hearing aids when sold to people with medical problems. (NOTE: This exemption does not apply to physicians when purchasing items used in the practice of providing medical care.) [5739.02(B)(18) & (19)]

- * Tangible personal property used in air, noise or water pollution control facilities by holders of pollution control certificates. [5709.25 & 6111.31]
- * Tangible personal property used or consumed in the process of surface reclamation of mined land. [5739.01(E)(4)]
- * Tangible personal property used or consumed in commercial fishing. [5739.01(E)(6)]
- * Gas, water, steam, and electricity delivered through pipes, conduits, or wires and sold by a public utility. [5739.02(B)(7)]
- * Bulk water for residential use. This does not include bottled water, mineral water, carbonated water or ice. [5739.02(B)(25)(a)]
- * Sales of water by a nonprofit corporation engaged exclusively in the treatment, distribution and sale of water to consumers, if such water is delivered to consumers through pipes or tubing. [5739.02(B)(25)(b)]
- * Tangible personal property incorporated into an energy conversion facility, solid waste energy conversion facility, or a thermal efficiency improvement facility by holders of the appropriate certificate. [5709.50]
- * Communication services by telegraph and local telephone companies. [5739.02(B)(7)]
- * Sales of property for use in agricultural production. [5739.02(B)(17)]
- * Sales of services provided by the state or any of its political subdivisions, agencies, instrumentalities, institutions or authorities. [5739.02(B)(22)]
- * Property used in the preparation of eggs for sale. [5739.02(B)(24)]
- * Sales and installation of agricultural land tile. [5739.02(B)(31)]
- * Sales and construction of portable grain bins to farmers. [5739.02(B)(32)]
- * Sales to persons licensed to conduct a food service operation pursuant to section 3732.03 of the Revised Code; of tangible personal property primarily used directly: (a) To prepare food for human consumption for sale; (b) To preserve food which has been or will be prepared for human consumption for sale by the food service, not including tangible personal property used to display food for selection by the consumer; and (c) To clean tangible personal property used to prepare or serve food for human consumption for sale. [5739.02(B)(28)]
- * Ships or vessels or rail rolling stock used in interstate or foreign commerce and material used for repairing, altering, or propelling them. [5739.02(B)(14)]

- * Material, machinery, equipment and other items used in packaging property for sale by a manufacturer or retailer. [5739.02(B)(15)]
- * Building and construction material sold to contractors for incorporation into real property of federal, State of Ohio or any of its political subdivisions, or religious and charitable institutions, or original construction of a sports facility under section 307.696 of the Revised Code. [5739.02(B)(13)]
- * Building and construction materials and services sold to contractors for incorporation into exempt real property located in another state. [5739.02(B)(13)]
- * Building and construction materials sold to construction contractors or persons engaged in the business of horticulture or producing livestock for incorporation into a horticulture or livestock structure. [5739.02(B)(13)&(38)]
- * Property manufactured in Ohio and immediately shipped outside the State for use in retail business, if sold by the manufacturer to the retailer and shipped in vehicles owned by the retailer. [5739.02(B)(21)]
- * To use the thing transferred as qualified research and development equipment. [5739.01(E)(11)]
- * Motor vehicle inspection or reinspection fees under section 3704.14 of the Revised Code. [5739.02(B)(26)]
- * Sales of automatic food vending machines that preserve food with a shelf life of 45 days or less by refrigeration and dispense it to the customer. [5739.02(B)(37)(c)]
- * Transportation of persons or property. [5739.02(B)(11)]
- * Things that are used or consumed in fulfillment of warranties. [5739.01 (E) (13)]
- * Repairs to tangible personal property, the purchase of which would be exempt from the tax imposed by Section 5739.02 of the Revised Code. [5739.01(B)(3)(a)]

NOTE: This list of exemptions is merely an abbreviation of the law. The statutes and rules concerning sales tax exemptions are very long and complicated. Also, there are hundreds of court decisions which affect the application of these exemptions. If you have any questions regarding a particular situation, please contact the Ohio Department of Taxation by calling (614) 466-7350.

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