



TACONY CORPORATION

SUBJECT: Tax Exempt Status

Dear Customer,

This letter is to introduce you to Tacony Corporation. Tacony Corporation has been in business for over 50 years serving thousands of companies in the sewing machine, vacuum cleaner, ceiling fans and floor care maintenance industry. The Corporate Headquarters are located in St. Louis, Missouri.

Tacony Corporation has locations in numerous states which will allow us to provide you with faster service and lower shipping cost. If your business is located in one of the following states, we are obligated by your state taxing authorities to collect sales tax unless we have on file your fully completed and signed Sales Tax Exemption/Resale Certificate. The states are as follows:

1. California
2. Florida
3. Minnesota
4. Missouri
5. New Jersey
6. Texas

Please complete the enclosed Tax Exemption/Resale Certificate in its entirety including an authorized signature if your purchases are not subject to taxation. Please return TACONY CORPORATION'S CERTIFICATE ONLY as it is required by the State. The completed certificate should be returned to the following address:

Tacony Corporation
1760 Gilsinn Lane
Fenton, Missouri 63026

We are required to charge tax on all orders until proof of tax exempt status is returned on the enclosed certificate.

Thank you for your prompt attention to this matter.

Sincerely,
TACONY CORPORATION
Credit Department

ST-3 (7-8R, R-4)

STATE OF NEW JERSEY

DIVISION OF TAXATION SALES TAX RESALE CERTIFICATE

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

PURCHASER'S
CERTIFICATE OF AUTHORITY NUMBER

The vendor must collect the tax on a sale of taxable property or services unless the purchaser gives him a properly completed exemption certificate.

FORM ST-3

To _____ Date _____
(Name of Vendor)
Address _____ City _____ State _____ Zip _____

The undersigned certifies that:

(1) He holds a valid Certificate of Authority (number shown above) to collect State of New Jersey Sales and Use Tax.

(2) He is principally engaged in the sale of (indicate nature of merchandise or service sold):

(3) The merchandise or services being herein purchased are described as follow:

(4) The merchandise described in (3) above is being purchased: (check one or more of the blocks which apply)

- (a) For resale in its present form.
- (b) For resale as converted into or as a component part of a product produced by the undersigned.
- (c) For use in the performance of a taxable service on personal property where the property which is the subject of this Certificate becomes part of the property being serviced or is later transferred to the purchaser of the service in conjunction with the performance of the service.

(5) The services described in (3) above are being purchased: (check the block which applies).

- (a) For resale to another vendor who will either collect the tax or will resell the services.
- (b) To be performed on personal property held for sale.

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 Resale 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 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.) (Title)

(Address of purchaser)

Instructions For Use of Resale Certificates

1. Good Faith - In general, a seller or lessor who accepts an exemption certificate in "good faith" is relieved of liability for collection or payment of tax upon transaction covered by the certificate. The question of "good faith" is one of fact and depends upon a consideration of all the conditions surrounding the transaction. A vendor is presumed to be familiar with the law and the regulations pertinent to the business in which he deals.

In order for "good faith" to be established, the following conditions must be met:

- (a) The certificate must contain no statement or entry which the seller or lessor knows, or has reason to know, is false or misleading.
- (b) The certificate must be an officially promulgated certificate form or a substantial and proper reproduction thereof.
- (c) The certificate must be dated and executed in accordance with the published instructions, and must be completed and regular in every respect.

The vendor may, therefore, accept this "good faith" Resale Certificate as a basis for exempting sales to the signatory purchaser provided that:

- (d) The purchaser's Certificate of Authority number, indicating that the purchaser is registered with the New Jersey Division of Taxation, is entered on the face of the Certificate.
- (e) The purchaser has entered all other information required on the form.
- (f) The vendor has no reason to believe that the property to be purchased is of a type not ordinarily used in the purchaser's business for the purpose described in this Certificate.

2. Improper Certificate - Sales transactions which are not supported by properly executed exemption certificates shall be deemed to be taxable retail sales. The burden of proof that the tax was not required to be collected is upon the vendor.

3. Correction of Certificate - In general, vendors have 60 days after date of sale to obtain a corrected certificate where the original certificate lacked material information required to be set forth in said certificate or where such information is incorrectly stated.

4. Additional Purchases by Same Purchaser - This Certificate will serve to cover additional purchases by the same purchaser of the same general type of property. However, each subsequent sales slip or purchase invoice based on this Certificate must show the purchaser's name, address and Certificate of Authority number for purposes of verification.

5. Retention of Certificates - Certificates must be retained by the vendor for a period of not less than three years from the date of the last sale covered by the certificate. Certificates must be in the physical possession of the vendor and available for inspection on or before the 60th day following the date of the transaction to which the certificate relates.

Examples of Proper Use of Resale Certificate

- a. A retail household appliance store owner issues a Resale Certificate to his supplier when he purchases household appliances from the supplier for resale.
- b. A furniture manufacturer issues a Resale Certificate to his lumber supplier to cover the purchase of lumber to be used in manufacturing furniture for sale.
- c. An automobile service station operator issues a Resale Certificate to his parts supplier, covering the purchase of parts to be used in making repairs to customers' cars.

Examples of Improper Use of Resale Certificate

In the examples below, the vendor should not accept Resale Certificates, but should insist upon payment of the sales tax.

- a. A lumber dealer should not accept a Resale Certificate from a tire dealer who is purchasing lumber for use in altering his premises.
- b. A distributor may not issue a Resale Certificate on purchases of cleaning supplies and other materials for his own office maintenance, even though he is in the business of distributing such supplies.
- c. A retailer may not issue a Resale Certificate on purchases of office equipment for his own use, even though he is in the business of selling office equipment.
- d. A supplier should not accept a Resale Certificate from a service station owner who purchases tools and testing equipment for use in his business.

REPRODUCTION OF RESALE CERTIFICATE FORMS: Private reproduction of Resale Certificates may be made without the prior permission of the Division of Taxation.