



Research and Development (R&D) Equipment Sales / Use Tax Exemption Form

The Controller's Office has revised the R&D Equipment Sales / Use Tax Exemption Form in accordance with S.C. Code §12-36-2120(56). South Carolina provides an exemption from sales and use tax for machines used directly and primarily in research and development (i.e., machines used directly and primarily in research and development, in the experimental or laboratory sense, of new products, new uses for existing products, or improvement of existing products). South Carolina Revenue Ruling #08-3 provides that for a machine to qualify for this exemption, more than 50% of its total use must be for direct use in research and development as defined in the exemption. "More than 50% of its total use" applies to research and development, not administrative or teaching purposes. "Machines" includes machines and parts of machines, attachments and replacements used or manufactured for use on or in the operation of the machines, which are necessary to the operation of the machines, and are customarily so used. This exemption does not apply to laboratory supplies that are not a structural part of the machine.

R&D Equipment to be purchased:

Provide details and purpose of new product, new use for existing product, or improvement of existing product:

Supplier Name: _____

GL Account Code: _____ **PO Number (if applicable):** _____

To determine whether your purchase qualifies for the sales / use tax exemption, the following questions **MUST** be answered.

1. Will the equipment be used "directly and primarily" more than 50% of its total use for research and development?
Yes No

2. Does the equipment meet the requirements of §12-36-2120(56) above?
Yes No

3. Will the equipment be used in the experimental or laboratory sense to create (select one below)?
A new product

A new use for an existing product or

Improvement of existing product

4. For the purposes of §12-36-2120(56) above, will the equipment be used (more than 50%) primarily for administrative and teaching purposes?
Yes No

5. Where will the equipment be delivered? _____

By signing below, the purchaser, the department chair and/or dean attest to the authenticity of the above statement(s). In the event the S.C. Department of Revenue determines at a later date the machine does not qualify for the tax exemption in accordance with S.C Code §12-36-2120(56), the department shall be liable for any additional tax, penalty, and interest as determined by the audit finding(s).

Name of Purchaser

Purchaser's Signature

Email address

Name of Chair/Dean

Chair/Dean's Signature

Date

Approved
Denied

Please submit the completed Research and Development Equipment Sales and Use Tax Exemption form, a copy of your purchase requisition, and any additional documentation to rdequip@mailbox.sc.edu