

## Sales and Use Tax Certificate for Sale and Leaseback Arrangements

**General Purpose:** Retailers and purchasers use this certificate in connection with original sales of tangible personal property that are eligible for sales and use tax exclusions or refunds in connection with sale and leaseback arrangements under Conn. Gen. Stat. §12-407(a)(3)(B).

Original sales of tangible personal property are excluded from sales and use taxes, or are eligible for refunds of the taxes, if within 120 days of the purchase date the purchaser enters into a contract with a lessor to sell the property to the lessor and lease it back in a lease that is taxable at its inception in Connecticut.

Depending on the circumstances, a purchaser or a retailer may use this certificate in one of the following ways:

1. A purchaser may purchase tangible personal property from a retailer to be used in a sale and leaseback arrangement without paying sales and use taxes;
2. A purchaser may obtain a sales and use tax refund from a retailer for tangible personal property to be used in a sale and leaseback arrangement;
3. A retailer that has refunded tax to a purchaser may claim a tax refund or credit from the Department of Revenue Services (DRS);  
**or**
4. A purchaser may obtain a sales and use tax refund directly from DRS for tangible personal property to be used in a sale and leaseback arrangement.

**Statutory Authority:** Conn. Gen. Stat. §12-407(a)(3)(B).

**Tax Exclusion at Time of Original Sale:** At the time of sale of an item of tangible personal property, if a purchaser has contracted with a lessor to sell the property to the lessor and lease it back from the lessor within one year of the date of purchase in a lease taxable at its inception in Connecticut, the original sale is excluded from sales and use taxes.

The purchaser must provide this certificate to the retailer, together with an executed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor.

A retailer must accept this certificate and the proper attachments in good faith. A retailer's good faith will be questioned if the retailer knows anything from which the retailer could reasonably infer that the purchaser is not entitled to the exclusion under Conn. Gen. Stat. §12-407(a)(3)(B).

**Refund From Original Retailer:** Within 120 days of the date of an original sale on which tax was paid, the purchaser may present this certificate to the retailer and the retailer will immediately refund to the purchaser the tax collected on the original sale provided the purchaser has contracted to sell the item of tangible personal property to a lessor and lease it back from the lessor within one year of the date of purchase, in a lease taxable at its inception in Connecticut.

The purchaser must give this certificate to the retailer, with a signed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor. The purchaser must also attach a copy of its receipt or invoice showing sales and use taxes were paid on the original sale.

**Retailer's Refund or Credit From DRS:** If a retailer refunds tax to a purchaser within 120 days, the retailer may present a copy of this certificate and the attachments to the certificate to claim a tax refund or credit from DRS.

**Purchaser's Refund From DRS:** If a purchaser paid tax to a retailer on the original sale, or self-assessed use tax, the purchaser may provide this certificate directly to DRS for a refund. The purchaser may claim the refund within three years under Conn. Gen. Stat. §12-425.

Within 120 days of the date of an original sale on which tax was paid, the purchaser must have sold or contracted to sell the item of tangible personal property to a lessor and lease it back from the lessor within one year of the date of purchase in a lease that is taxable at its inception in Connecticut.

The purchaser must provide this certificate to DRS, together with an executed copy of its sale and leaseback contract with the lessor **or** a copy of a binding agreement with the lessor to sell the property to the lessor and lease it back, signed by both the purchaser and the lessor. If the purchaser paid tax to a retailer at the time of sale, the purchaser must also include a bill of sale so indicating and a copy of **Form AU-524, Assignment of Retailer's Rights for Refund**, signed by the retailer.

**Notice to Purchasers and Retailers:** Keep a copy of this certificate and all attachments for six years after the date of purchase.

**For More Information:** Call DRS at 1-800-382-9463 (in-state) or 860-297-5962 (from anywhere). **TTY, TDD, and Text Telephone users** only may transmit inquiries anytime by calling 860-297-4911. Preview and download forms and publications from the DRS website at [www.ct.gov/DRS](http://www.ct.gov/DRS)

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### To Be Completed by the Purchaser

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Name of Purchaser \_\_\_\_\_ CT Tax Reg. No. \_\_\_\_\_

Address of Purchaser \_\_\_\_\_

Name of Retailer \_\_\_\_\_ CT Tax Reg. No. \_\_\_\_\_

Address of Retailer \_\_\_\_\_

Name of Lessor \_\_\_\_\_ CT Tax Reg. No. \_\_\_\_\_

Address of Lessor \_\_\_\_\_

Description of Property Purchased \_\_\_\_\_

Date of Original Sale \_\_\_\_\_ Date of Sale and Leaseback Contract or Binding Agreement \_\_\_\_\_

(The sale and leaseback contract or binding agreement must be signed within 120 days of the original sale.)

Date of Sale by Purchaser to Lessor \_\_\_\_\_ Sale:  Has  Has Not Occurred

Date of Leaseback Commencement \_\_\_\_\_ Leaseback  Has  Has Not Commenced

(The sale and leaseback must begin within one year of the original sale.)

Attached:  Sale and Leaseback Contract  Binding Purchaser/Lessor Letter  Bill of Sale (if needed)

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### Declaration by the Purchaser

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The item described above is tangible personal property that is being or has been purchased under the sale and leaseback exclusion or refund provisions of Conn. Gen. Stat. §12-407(a)(3)(B). Check one of the following:

- The sale of this item is excluded from sales and use taxes because at the time of the original sale the purchaser provided the retailer with the required evidence that within 120 days from the sale date the purchaser will enter into a sale and leaseback agreement with a lessor;
- The sales and use taxes paid on the sale of this item are being refunded to the purchaser by the retailer because the purchaser provided the retailer with the required evidence that within 120 days from the sale date the purchaser will or has entered into a sale and leaseback agreement with a lessor; **or**
- The purchaser claims a refund from DRS of the sales and use taxes paid on the sale of this item because the purchaser provided DRS with the required evidence that within 120 days from the sale date the purchaser will or has entered into a sale and leaseback agreement with a lessor.

The sale of the item and the commencement of the leaseback have occurred or will occur within one year of the date of the original sale.

I, the authorized representative of the **purchaser** named above, declare under penalty of law that I have examined the information in this certificate and to the best of my knowledge and belief it is true, complete, and correct. I understand the penalty for willfully delivering a false return to DRS is a fine of not more than \$5,000, or imprisonment for not more than five years, or both.

By: \_\_\_\_\_  
Signature of Authorized Person Title Date