

d.p. Martin Associates LLC

Turning Idle Assets Into Cash Since 1979

Massachusetts Sales Tax Exemption Directives

Yadegar Rugs Liquidation Auction, December 14, 2008

- 1) All Sales are F.O.B. 1622 Beacon Street, Brookline Massachusetts. The Massachusetts Department of Revenue considers that as the merchandise is not shipped by the seller, (auction firm) then delivery is considered to have occurred in Massachusetts and therefore these purchases are taxable at Massachusetts sales tax rate of 5%.
- 2) When purchases are made on line, shipping arrangements are to be made by the purchaser or with any third party; those purchases are considered delivered in MA and are taxable.
- 3) According to MADOR only when the seller (Auction Company) provides and arranges shipping out of state it is then exempt. Martin Associates WILL NOT SHIP your purchases.
- 4) **MASSACHUSETTS RESALE VENDOR** exemptions: On site sales are exempt only when the purchaser fills out a MA form ST-4. and then validates it with a form ST-1 showing they are registered with the state FOR RESALE.

(Click on the button labeled “**MA Resellers**” to download an example form ST-1 and form ST-4 from our website.)

- 5) **OUT OF STATE RESALE VENDOR** exemptions: If an out of state merchant is purchasing for resale OUTSIDE of Massachusetts the vendor may be exempted from sales tax IF: that vendor provides a statement, either on the purchaser’s letterhead or with a business card attached, signed by the purchaser under the pains and penalties of perjury. This statement must declare that:
 1. The purchaser is not engaged in business in Massachusetts within the meaning of G.L. c. 64H, § 1(5) and,
 2. The purchaser is purchasing the property solely for resale in the ordinary course of its business. If the purchaser is registered to do business in another state, a copy of that registration or permit must be attached to the statement. Per MA DOR DIRECTIVE 89-10

(Click on the button labeled “**Out of State Resellers**” to download a sample statement that we will accept to be considered an eligible exempt vendor not engaged in resale within the Commonwealth of Massachusetts.)

- 6) **NON PROFIT ORGANIZATION** exemptions: Sales are exempt only when the purchaser fills out a MA form ST-5 and then validates it with a form ST-2 showing they are registered with the state.

(CLICK on the button labeled “Non Profit Orgs.” To download appropriate forms.)