



## Research Equipment Sales Tax Exemption Form

The Controller's Office has revised the "Research and Development" sales tax exemption form in accordance with S.C Code §12-36-2120(56). South Carolina provides an exemption from sales or use tax for machines used in research and development (*i.e.*, machines used directly or 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.

Name of Research and Development Machine/Equipment to be purchased:

\_\_\_\_\_

Name of New Product that will be created (*developing a new technique or a scientific process does not qualify for the exemption*):

\_\_\_\_\_

Purpose of Machine/Equipment (in layman's terms)(attach documentation if not enough space provided:

\_\_\_\_\_

Vendor name: \_\_\_\_\_

Department-Fund to be Charged for Purchase: \_\_\_\_\_ - \_\_\_\_\_ PO Number: \_\_\_\_\_

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

1. Will the machine be used "directly and primarily" more than 50% of its total use directly for research and development?

Yes ☐ No ☐

2. Does the machine (equipment) meet the description of S.C. Code 12-36-2120(56) above?

Yes ☐ No ☐

3. Will the machine be used in the experimental or laboratory sense to create (select one below)?

- ☐ A new product  
☐ A new use for an existing product or  
☐ A new technique or process

4. For the purposes of S.C. Code 12-36-2120(56) above, will the machine be used (more than 50%) primarily for administrative and teaching purposes?

Yes ☐ No ☐

**By signing below, the purchaser, the department chair and/or dean attest to the authenticity of the above statements(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

Please submit the completed Sales Tax Exemption form and a copy of your purchase requisition, along with any additional documentation that aids us in making this determination to [rdequip@mailbox.sc.edu](mailto:rdequip@mailbox.sc.edu)