

# FIRST AMENDMENT TO AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT

THIS FIRST AMENDMENT TO AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, dated as of the 1<sup>st</sup> day of April, 2023, is by and between the **ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**, a public benefit corporation duly existing under the laws of the State of New York with offices at 95 Perry Street, Suite 403, Buffalo, New York 14203 (the "Agency") and **LIFE TECHNOLOGIES CORPORATION**, **SUBSIDIARY OF THERMO FISHER SCIENTIFIC**, **INC.**, a public corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and duly qualified to do business in the State of New York, with offices at 3175 Staley Road, Grand Island, New York 14072 (the "Company").

#### WITNESSETH:

WHEREAS, by Resolution dated December 16, 2020 (the "Resolution"), the Agency authorized the Company to undertake the Project, as defined therein, and act as its Agent for the purposes of acquiring, constructing and equipping the Project and subject to the Company entering into an Agent and Financial Assistance Project Agreement; and

WHEREAS, the Agency and the Company entered into that certain Agent and Financial Assistance Project Agreement, dated as of February 9, 2021, as amended from time to time, (collectively, the "Agent Agreement"), whereby the Agency authorized the Company to act as its Agent for the purposes of acquiring, constructing and/or equipping the Facility (as described within the Resolution); and

WHEREAS, the Company has notified the Agency that the Project has not been completed and has requested an extension of the New York State and local sales and use tax exemption benefit time period provided by the Agency, which the Agency has agreed to provide to the Company; and

WHEREAS, the Agency requires a First Amendment to Agent Agreement be executed, and the Company and the Agency have agreed to execute the First Amendment to Agent Agreement to extend the New York State and local sales and use tax exemption benefit time period provided by the Agency and any additional amendments thereto.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

The Agent Agreement is amended as follows:

- 1. Any references to the sales tax exemption expiration in the Agent Agreement shall be changed from March 31, 2023 to September 30, 2023.
- 2. <u>Exhibit A, Exhibit B-1</u>, and <u>Exhibit B-2</u> attached hereto shall be made part of, and incorporated into, the Original Agent Agreement in place of Exhibit A, Exhibit B-1, and Exhibit B-2, respectively, in the Original Agreement.

Unless otherwise amended pursuant to the terms contained herein, the terms of the Agent Agreement shall remain unchanged.

[The Balance of this Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Agency and the Company have caused this First Amendment to Agent and Financial Assistance Project Agreement to be executed in their respective names, all as of the date first above written.

# ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

By: <u>CYCAA</u> Name: Elizabeth A. O'Keefe

Title: Vice President of Operations

LIFE TECHNOLOGIES CORPORATION, SUBSIDIARY OF THERMO FISHER SCIENTIFIC, INC.

By: Steve Schrader

Title: Site Leader

# EXHIBIT A REVISED

FORM OF NYS FORM ST-60 TO BE COMPLETED BY COMPANY AND FILED WITH THE NYS TAX DEPARTMENT IDA UNIT FOR EACH OF ITS SUBAGENTS WITHIN THIRTY (30) DAYS OF APPOINTMENT

[Attached Next Page]



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Department of Taxation and Finance

# IDA Appointment of Project Operator or Agent For Sales Tax Purposes

ST-60

The industrial development agency or authority (IDA) **must** submit this form within **30 days** of the appointment of a project operator or agent, whether appointed directly by the IDA or indirectly by the operator or another agent.

For IDA use only

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| IDA information  |   |  |   |  |  |  |  |
|--|---|--|---|--|--|--|--|
| Name of IDA  |   |  | IDA project number (use OSC numbering system for projects after 1998) |  |  |  |  |
|  |   |  | 1404-21-04A   |  |  |  |  |
| Street address   |   | Telephone number                               |   |  |  |  |  |
| 95 Perry Street, Suite 403   | I   | (716 ) 856-6525                                |   |  |  |  |  |
| City   | State ZIP code  |  | ess (optional)  |  |  |  |  |
| Buffalo  | NY 14203  |  | (-1   |  |  |  |  |
|  |   |  |   |  |  |  |  |
| Project operator or agent informat   | tion  |  |   | •  |  |  |  |
| Name of IDA project operator or agent  |   | Mark an X in the box if dire                   | ctly Employ   | er identification or Social Security numb                  |  |  |  |
|  |   |  | vo  | or recruited and or obeing decurity harms                  |  |  |  |
| Street address   | L   | Telephone                                      |   | Primary operator or agent?                                 |  |  |  |
|  |   | ( )  |   | Yes ☐ No 🗵   |  |  |  |
| City   | State ZIP code  | Email addr                                     | ess (optional)  |  |  |  |  |
|  |   |  |   |  |  |  |  |
|  |   |  | <del></del>   |  |  |  |  |
| Project information  |   |  |   |  |  |  |  |
| Name of project  |   |  |   |  |  |  |  |
| Life Technologies Corporation, subsidiary of   | f Thermo Fisher Scient  | ific. Inc.                                     |   |  |  |  |  |
|  |   |  | by license or one   | ement during construction or                               |  |  |  |
| improvement by third p   | parties for the benefit of the  | e project.                                     | by licelise of eas  | ement during construction or                               |  |  |  |
| City   | State ZIP code  |  | ess (optional)  |  |  |  |  |
| Grand Island   | NY 14072  |  |   |  |  |  |  |
| Purpose of project   |   |  |   |  |  |  |  |
| machinery, equipment and related perso   | nai proporty.   |  |   |  |  |  |  |
|  |   |  | <u> </u>  |  |  |  |  |
| Description of goods and services intended to be exemp   | ated from New York State on   |  |   |  |  |  |  |
| Goods and services, inclusive of fuel and ut they continue to constitute personal propert located outside the legal boundaries of the project.                                 | illities, whether the goo<br>y or the item is used a<br>project facility; provide | ds and services are<br>fter the completion o   | purchased or re<br>f the project, or<br>ple basis to acq              | the item is geographically<br>uire the item to benefit the |  |  |  |
| agent appointed (mmddyy) 040123  | Date project operator or<br>agent status ends <i>(mmdd</i> )                      | <sub>y)</sub> 093023                           | Mark an <b>X</b> in t<br>an original pro                              | he box if this is an extension to ject:                    |  |  |  |
| Estimated value of goods and services that will be exempt from New York State and local sales and use tax  | (all agents, all in)<br>×: \$ 25,000,000.0  | Estimated value of New use tax exemption prov  |   | al sales and (all agents, all in)<br>\$ 2,187,500.0        |  |  |  |
|  |   |  |   |  |  |  |  |
| Certification: I certify that the above staten make these statements with the knowledge felony or other crime under New York State Tax Department is authorized to investigate | that willfully providing<br>Law, punishable by a                                  | false or fraudulent ir<br>substantial fine and | iformation with t   | this document may constitute a                             |  |  |  |
| Print name of officer or employee signing on behalf of the   | ne IDA  | Print title                                    |   |  |  |  |  |
| Elizabeth A. O'Keefe   |   | Vice President of                              | Operations  |  |  |  |  |
| Signature 6 1 1 1  |   | Date   |   | Telephone number   |  |  |  |
| CX UKrfu   |   |  | 20/2023   | ( 716 ) 856-6525   |  |  |  |

#### Instructions

#### When to file

An IDA must file this form within 30 days of the date they appoint any project operator or other person as agent of the IDA, for purposes of extending any sales and use tax exemptions.

#### Requirements to file

The IDA must file a separate form for each person it appoints as agent, whether directly or indirectly, and regardless of whether the person is the primary project operator or agent. If the IDA authorizes a project operator or agent to appoint other persons as agent of the IDA, the operator or agent making such an appointment must advise the IDA that it has done so, so that the IDA can file a form within 30 days of the date of the new agent's appointment. The IDA should not file this form for a person hired to work on an IDA project if that person is not appointed as agent of the IDA. The IDA should not file this form if they do not extend any sales or use tax exemption benefits for the project.

If an IDA modifies a project, such as by extending it beyond its original completion date, or by increasing or decreasing the amount of sales and use tax exemption benefits authorized for the project, they must, within 30 days of the change, file a new form with the new information.

### If the information on this form changes

If an IDA amends, revokes, or cancels the appointment of an agent, or if an agent's appointment becomes invalid for any reason, the IDA, within 30 days, must send a letter to the address below for filing this form, indicating that the appointment has been amended, revoked, or cancelled, or is no longer valid, and the effective date of the change. They must attach to the letter a copy of the form it originally filed. The IDA should not send a letter for a form that is not valid merely because the *Completion date of project* has passed.

#### **Mailing instructions**

Mail completed form to:

NYS TAX DEPARTMENT IDA UNIT W A HARRIMAN CAMPUS ALBANY NY 12227-0866

**Private delivery services –** See Publication 55, Designated Private Delivery Services.

#### **Privacy notification**

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

## Need help?



Visit our website at www.tax.ny.gov

- get information and manage your taxes online
- · check for new online services and features

#### Telephone assistance

Sales Tax Information Center:

518-485-2889

To order forms and publications:

518-457-5431

Text Telephone (TTY) or TDD equipment users

Dial 7-1-1 for the New York Relay Service

## EXHIBIT B-1 – REVISED

NYS FORM ST-123 FOR COMPANY

[Attached Next Page]



New York State Department of Taxation and Finance New York State Sales and Use Tax

Exhibit B-1

**ST-123** 

# IDA Agent or Project Operator Exempt Purchase Certificate Effective for projects beginning on or after June 1, 2014

| This certificate is not valid unless all entries have been completed   |   | •  |  |  |  |  |
|--|---|--|--|--|--|--|
| Note: To be completed by the purchaser and given to the seller. Description tax. See Form FT-123, IDA Agent or Project Operator Exemp  | to not use this form to purcha  | ase motor fuel or diesel motor fuel exempt       |  |  |  |  |
| Name of seller   | Name of agent or project operator Life Technologies Corporation, subsidiary of Thermo Fisher Scientific, Inc. |  |  |  |  |  |
|  |   |  |  |  |  |  |
| Street address   | Street address  | subsidiary of Thermo Fisher Scientific, Inc.     |  |  |  |  |
|  | 3175 Staley Road  |  |  |  |  |  |
| City, town, or village State ZIP code  | City, town, or village  | State ZIP code                                   |  |  |  |  |
| ·  | Grand Island  | NY 14072   |  |  |  |  |
|  | Agent or project operator sales ta  | ax ID number (see instructions)                  |  |  |  |  |
| ′ —  |   |  |  |  |  |  |
| Mark an <b>X</b> in one: Single-purchase certificate Bla   | anket-purchase certificate (va  | alid only for the project listed below)          |  |  |  |  |
| To the seller:   |   |  |  |  |  |  |
|  | -L  |  |  |  |  |  |
| You must identify the project on each bill and invoice for such pure   | chases and indicate on the bi   | Ill or invoice that the IDA or agent             |  |  |  |  |
| or project operator of the IDA was the purchaser.  |   |  |  |  |  |  |
|  |   |  |  |  |  |  |
|  | ······································  |  |  |  |  |  |
| Project information  | ,   |  |  |  |  |  |
| I certify that I am a duly appointed agent or project operator of the named  | IDA and that I am purchasing the  | e tangible personal property or services for use |  |  |  |  |
| in the following IDA project and that such purchases qualify as exempt from  | m sales and use taxes under my  | agreement with the IDA.                          |  |  |  |  |
| Name of IDA  |   |  |  |  |  |  |
|  |   |  |  |  |  |  |
| Erie County Industrial Development Agency Name of project  |   | •  |  |  |  |  |
|  |   | IDA project number (use OSC number)              |  |  |  |  |
| Life Technologies Corporation, subsidiary of Thermo Fisher Scie  | ntific, Inc.  | 1404-21-04A                                      |  |  |  |  |
| Street address of project site   |   |  |  |  |  |  |
| 3175 Staley Road   |   |  |  |  |  |  |
| City, town, or village   |   | State ZIP code                                   |  |  |  |  |
| Grand Island   |   | NY 14072   |  |  |  |  |
| Enter the date that you were appointed agent or  | Enter the date that agent or  |  |  |  |  |  |
| project operator (mm/dd/yy)  | status ends (mm/dd/yy)  |  |  |  |  |  |
| Exempt purchases   |   |  |  |  |  |  |
| (Mark an <b>X</b> in boxes that apply)   |   |  |  |  |  |  |
| (Mark an X in boxes that apply)  |   |  |  |  |  |  |
| A. Tangible personal property or services (other than  | utility services and motor vel  | sicles or tangible personal area att.            |  |  |  |  |
| installed in a qualifying motor vehicle) used to con   | onlete the project, but not to a  | property   |  |  |  |  |
|  | iplote the project, but not to t  | perate the completed project                     |  |  |  |  |
| B. Certain utility services (gas, propane in container   | es of 100 pounds or more als  | oduloštv. začija zati za                         |  |  |  |  |
| used to complete the project, but not to operate t   | be completed assist   | etricity, refrigeration, or steam)               |  |  |  |  |
| adda to demplote the project, but not to operate t   | ne completed project  |  |  |  |  |  |
| C. Motor vehicle or tangible personal property instal  | led in a qualifying motor vehi  | cle  |  |  |  |  |
| Certification: I certify that the above statements are true complete, and  |   |  |  |  |  |  |
| Certification: I certify that the above statements are true, complete, and statements and issue this exemption certificate with the knowledge that the apply to a transaction or transactions for which I transaction of the I transaction of transactions for which I transaction of the I transa | NS document provides evidence (   | that state and level selections (                |  |  |  |  |
| apply to a transaction of transactions for which I teligered this document a   | and that Willitully issuing this door   | Imont with the intent to accordance to the       |  |  |  |  |
| may constitute a leight of other chille under New York State Law hings   | ania nv a substantial tino and a n  | socible init sentence to the state of the state  |  |  |  |  |
| document is required to be filed with, and delivered to, the vendor as ager deemed a document required to be filed with the Tax Department for the part that is authorized to investigate the velidity of the part leads of the part | nt for the lay Department for the   | purposes of Tay Law as the 4000                  |  |  |  |  |
| is authorized to investigate the validity of tax exclusions or exemptions cla  | aimed and the accuracy of any in  | 35. I also understand that the Tax Department    |  |  |  |  |
| Signature of purchaser or purchaser's representative (include title and relationship)  | and allo aboutably of arry in   |  |  |  |  |  |
| · · · · · · · · · · · · · · · · · · ·  |   | Date   |  |  |  |  |
| Type or print the name, title, and relationship that appear in the signature box   |   |  |  |  |  |  |
| • • •  |   | · · · · · · · · · · · · · · · · · · ·            |  |  |  |  |

#### Instructions

#### To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

**Agent or project operator sales tax ID number** — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter **N/A**.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a bulldozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, Contractor Exempt Purchase Certificate, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

#### **Exempt purchases**

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- A. Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- B. Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- C. Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

#### Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- · A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your Certificate of Authority, if you are required to be registered as a vendor. See TSB-M-09(17)S, Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability, for more information.

#### To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- · accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

#### Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

#### Need help?



Visit our Web site at www.tax.ny.gov

- · get information and manage your taxes online
- · check for new online services and features

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Sales Tax Information Center:

(518) 485-2889

To order forms and publications:

(518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY):

(518) 485-5082

## EXHIBIT B-2 – REVISED

## NYS FORM ST-123 FOR <u>SUBAGENTS</u> OF COMPANY

[Attached Next Page]



New York State Department of Taxation and Finance New York State Sales and Use Tax

Exhibit B-2

# IDA Agent or Project Operator Exempt Purchase Certificate Effective for projects beginning on or after June 1, 2014

| This certificate is not valid unles  Note: To be completed by the p   | ss all entries have been comp  | leted.  | not upo thio form to much   |   |   |   |  |
|---|--|---|---|---|---|---|--|
| from tax. See Form FT-123, ID/  | A Agent or Project Operator E:   | xempt F   | or use this form to purchase Certificate for E  | ase motor tu<br>ol  | iel or diesel   | motor fue   | exempt                                     |
| Name of seller  |  |   | Name of agent or project operator   |   |   |   |  |
| Street address  |  | X   | ····  |   |   |   |  |
| oneet address   |  | L   | Street address<br>X   |   |   |   |  |
| City, town, or village  | State ZIP code   | 1   | City, town, or village  |   | State   | ZIP cod   | le   |
|   |  |   | X   |   |   |   |  |
|   |  |   | Agent or project operator sales to  | ax ID number (s   | see instructions)   |   |  |
| Mark an <b>X</b> in one: Single   | e-purchase certificate   | Blank   | et-purchase certificate (v  | alid only for   | the project   | listed belo   | ow)  |
| To the seller: You must identify the project or or project operator of the IDA w  | n each bill and invoice for such<br>vas the purchaser.   | n purcha  | ises and indicate on the b  | ill or invoice  | that the ID   | A or agen   | t  |
| Project information I certify that I am a duly appointed in the following IDA project and that  | agent or project operator of the na<br>t such purchases qualify as exem  | amed IDA  | A and that I am purchasing th<br>ales and use taxes under my  | e tangible per  | rsonal proper   | rty or servic   | ces for use                                |
| Name of IDA   |  |   |   |   |   |   |  |
| Erie County Industrial Develop  | ment Agency  |   |   |   |   |   |  |
| Name of project   |  |   |   | IDA project nur   | nber (use OSC   | number)   |  |
| Life Technologies Corporation, subsidiary of Thermo Fisher Scientific, Inc.  Street address of project site  1404-21-04A  |  |   |   |   |   |   |  |
| 3175 Staley Road  |  |   |   |   |   |   |  |
| City, town, or village  |  |   |   |   | State   | ZIP code  |  |
| Grand Island  |  |   |   |   | NY  | 14072   | ļ  |
| Enter the date that you were appo   |  | ,   | Enter the date that agent or  | project opera   |   | 114072  |  |
| project operator (mm/dd/yy)   | 04 / 01 /  |   | status ends (mm/dd/yy)  |   |   | / 30  | / 23                                       |
| installed in a q  | onal property or services (other<br>ualifying motor vehicle) used to   | o comple  | ete the project, but not to o   | perate the o  | completed p   | oroject   | ty   |
| B. Certain utility sused to compl   | services (gas, propane in cont<br>ete the project, but not to oper   | tainers c<br>rate the                                       | of 100 pounds or more, ele<br>completed project   | ectricity, refri  | igeration, o  | r steam)  |  |
| C. Motor vehicle  | or tangible personal property i  | installed   | l in a qualifying motor veh   | icle  |   |   |  |
| Certification: I certify that the abo<br>statements and issue this exemptic<br>apply to a transaction or transaction<br>may constitute a felony or other cri<br>document is required to be filed wi<br>deemed a document required to be<br>is authorized to investigate the valid | on certificate with the knowledge toons for which I tendered this docur ime under New York State Law, puth, and delivered to, the vendor as a filed with the Tax Department for idity of tax exclusions or exemptions. | that this oment and unishable sagent for the purpons claims | document provides evidence that willfully issuing this doce by a substantial fine and a port the Tax Department for the page of prosecution of offenses of prosecution of offenses. | that state and<br>ument with the<br>possible jail se<br>purposes of | I local sales of intent to ever entence. I un Tax Law sec | or use taxe<br>yade any su<br>iderstand the<br>ition 1838 a | es do not<br>uch tax<br>nat this<br>and is |
| Signature of purchaser or purchaser's   | representative (include title and relationsh   | hip)  |   |   | D   | Pate  | •  |
| Type or print the name, title, and relati   | onship that appear in the signature box  | х   |   |   |   |   |  |

#### Instructions

#### To the purchaser

You may use Form ST-123 if you:

- have been appointed as an agent or project operator by an industrial development agency (IDA) and
- the purchases qualify for exemption from sales and use tax as described in the IDA contract.

You may use Form ST-123 as a single-purchase certificate or as a blanket certificate covering the first and subsequent purchases qualifying for the project listed.

Agent or project operator sales tax ID number — If you are registered with the Tax Department for sales tax purposes, you must enter your sales tax identification number on this certificate. If you are not required to be registered, enter N/A.

Industrial development agencies and authorities (IDAs) are public benefit corporations under General Municipal Law Article 18-A and the Public Authorities Law, for the purpose of promoting, developing, encouraging, and assisting in the acquisition, construction, reconstruction, improvement, maintenance, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, research, and recreational facilities in New York State.

IDAs are exempt from the payment of sales and use tax on their purchases, in accordance with Tax Law section 1116(a)(1). However, IDAs do not normally make direct purchases for projects. Commonly, IDAs instead appoint a business enterprise or developer, contractor, or subcontractor as its agent or project operator. Such purchases made by the agent or project operator, acting within the authority granted by the IDA, are deemed to be made by the IDA and therefore exempt from tax.

Example 1: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment necessary for completion of the project, as agent for the IDA. Contractor X rents a backhoe and a buildozer for site preparation, purchases concrete and lumber to construct a building, and purchases machinery to be installed in the building. All these purchases by contractor X as agent of the IDA are exempt from tax.

Example 2: IDA agreement with its agent or project operator states that contractor X may make all purchases of materials and equipment to be incorporated into the project, as agent for the IDA. Contractor X makes the same purchases as in Example 1. Since the concrete, lumber, and machinery will actually be incorporated into the project, contractor X may purchase these items exempt from tax. However, rental of the backhoe and bulldozer is not exempt since these transactions are normally taxable and the IDA agreement does not authorize contractor X to make such rentals as agent of the IDA.

A contractor or subcontractor not appointed as agent or project operator of an IDA must present suppliers with Form ST-120.1, *Contractor Exempt Purchase Certificate*, when making purchases that are ordinarily exempt from tax in accordance with Tax Law sections 1115(a)(15) and 1115(a)(16). For more information, see Form ST-120.1.

#### Exempt purchases

To qualify, the purchases must be made within the authority granted by the IDA and used to complete the project (not to operate the completed project).

- A. Mark box A to indicate you are purchasing tangible personal property and services (other than utility services and motor vehicles or tangible personal property installed in a qualifying motor vehicle) exempt from tax.
- B. Mark box B to indicate you are purchasing certain consumer utility services used in completing the project exempt from tax. This includes gas, electricity, refrigeration, and steam; and gas, electric, refrigeration, and steam services.
- C. Mark box C to indicate you are purchasing a motor vehicle or tangible personal property related to a qualifying motor vehicle exempt from tax.

#### Misuse of this certificate

Misuse of this exemption certificate may subject you to serious civil and criminal sanctions in addition to the payment of any tax and interest due. These include:

- A penalty equal to 100% of the tax due;
- A \$50 penalty for each fraudulent exemption certificate issued;
- Criminal felony prosecution, punishable by a substantial fine and a possible jail sentence; and
- Revocation of your Certificate of Authority, if you are required to be registered as a vendor. See TSB-M-09(17)S, Amendments that Encourage Compliance with the Tax Law and Enhance the Tax Department's Enforcement Ability, for more information.

#### To the seller

When making purchases as agent or project operator of an IDA, the purchaser must provide you with this exemption certificate with all entries completed to establish the right to the exemption. You **must** identify the project on each bill and invoice for such purchases and indicate on the bill or invoice that the IDA or agent or project operator of the IDA was the purchaser.

As a New York State registered vendor, you may accept an exemption certificate in lieu of collecting tax and be protected from liability for the tax if the certificate is valid. The certificate will be considered valid if it is:

- · accepted in good faith;
- in your possession within 90 days of the transaction; and
- properly completed (all required entries were made).

An exemption certificate is accepted in good faith when you have no knowledge that the exemption certificate is false or is fraudulently given, and you exercise reasonable ordinary due care. If you do not receive a properly completed certificate within 90 days after the delivery of the property or service, you will share with the purchaser the burden of proving the sale was exempt.

You must also maintain a method of associating an invoice (or other source document) for an exempt sale with the exemption certificate you have on file from the purchaser. You must keep this certificate at least three years after the due date of your sales tax return to which it relates, or the date the return was filed, if later.

#### Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our Web site, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification*. See *Need help?* for the Web address and telephone number.

#### Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features

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Sales Tax Information Center:

(518) 485-2889

To order forms and publications:

(518) 457-5431



Text Telephone (TTY) Hotline (for persons with hearing and

speech disabilities using a TTY);

(518) 485-5082