Iowa Department of Revenue
https://tax.iowa.gov

Iowa Sales Tax Exemption Certificate

Energy Used in Processing or Agriculture

This document is to be completed by a purchaser to claim exemption from sales/use tax.

This form must be provided to the seller of the energy used in processing or agriculture to exempt future purchases from sales tax. Certificates are valid for up to three years.

For Prior Period: To obtain a refund of sales tax previously paid on energy used for processing or agriculture, use form IA 843. Worksheets and examples for completing an energy study can be found on the sales tax forms page of our website at https://tax.iowa.gov. An energy study must be attached to the IA 843 in order to receive a refund.

Purchaser Name: _____ Seller Name: _____

Address: _____ Address: _____

City, State, ZIP: _____ City, State, Zip: _____

General Nature of Business: _____

Telephone Number: _____

Fuel Purchased: Electricity ☐ Gas ☐

Other ☐, specify: _____

Reason for Exemption: Grain Drying ☐ Raising Livestock ☐ Generating Electricity ☐

Data Center ☐ Processing ☐ Manufacturing ☐

Other ☐, specify: _____

Effective Date of the Exemption Certificate: _____ / ____ / ___

Meter Number: _____

Utility Account Number: _____

Exempt % _____ + Taxable % _____ = 100%

Under penalties of perjury, I swear or affirm that the information on and attached to this form is true and correct as to every material matter.

Authorized Signature of Owner, Partner, or Corporate Officer: _____

Title: _____ Date: _____

Instructions

To claim exemption, complete the Iowa Sales Tax Exemption Certificate for Energy Used in Processing or Agriculture (31-113a) and give it to your supplier. Your utility company will require an updated form at least every three years and will need documentation showing how the energy is used.

Energy includes heat, steam, electricity, gas, or any other tangible personal property consumed in creating heat, power, steam, or for generating electric current.

Energy consumed in processing or agricultural production is exempt from Iowa sales and use tax. Energy used for the purpose of general heating, ventilating or lighting of buildings, and any use other than that of direct processing or agricultural production is taxable.

When filling out the exemption certificate for your utility company, you will need to show what percent of your total energy consumption is for exempt purposes. Separate meters for production and non-production uses are ideal for determining the exempt and nonexempt energy percentages; however, a separate meter for non-production use is not practical in some cases.

If it is impractical to separately meter and bill the energy, the exemption certificate must be supported by a study showing how the exemption percentage was determined. The study must show the taxable use and the nontaxable use to correctly report the exempt percentage.

The following are available on the Department's website at https://tax.iowa.gov to assist in determining the correct exemption percentage:

1. Worksheet and Example for Determining Electricity used in Processing / Agriculture
   Electrical Exemption Percentage Calculations

2. Worksheet and Example for Determining Natural Gas used in Processing / Agriculture
   Gas Exemption Percentage Calculations

Your utility company may also be able to provide assistance, or you may seek the help of an energy consultant.

Supporting Documentation

If fuel is not metered, attach an explanation of the method of purchase and storage.

Documentation supporting the exemption must be provided with this certificate in order for a seller to accept the exemption certificate. The acceptance of a properly completed certificate relieves the seller of liability. The documentation must be specific when listing processing or agricultural activities. All taxable activities must also be listed except that they may be combined into more general categories such as lighting, office, heating, air conditioning, etc.

A purchaser may petition the Iowa Department of Revenue for a review of its fuel exemption certificate. If information necessary to determine the exemption percentage is not provided, the Department will request additional information. If the Department does not review the certificate within 12 months from the date the application for review is made, the fuel exemption certificate is deemed correct.

Seller: Keep this certificate in your files.

Purchaser: Keep a copy of this certificate for your records.

Do not send to the Iowa Department of Revenue.