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Center for the Teaching Profession

Personal Computer Tax Exemption Available for Teachers

Please assist us in spreading the good news to teachers that a 1997 law allows them to receive a tax exemption when purchasing a personal computer. According to section 5739.02 of the Ohio Revised Code, the exemption applies to:

Sales of computers, computer monitors, computer keyboards, modems, and other peripheral equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students.

Educators must fill out a tax exemption certificate and provide it to the seller at the time of purchase. The form can be found at: www.tax.ohio.gov.

Click on "Tax Forms." Under Tax Type, select "Sales and Use Tax," then click "Search" and download the form called "Sales and Use Tax Unit Exemption Certificate (STEC U)".

Updated Wednesday, December 15, 2004 02:18 PM

12-4-97

Subject: Teachers: Buy computers tax-free.
Info source: Steve Mitchell
Director of Educational Services
WNEO/WEAO, Channels 45/49
1750 Campus Center Drive
Kent, Ohio 44240
(330) 677-4549 Phone
(330) 672-7995 Fax
E-Mail: mittchell@wneo.org

Ohio teachers can now buy computers without paying sales tax, saving \$115 to \$140 on a \$2000 purchase.

Ohio House Bill 215 allows any Ohio licensed or certified elementary or secondary school teacher to buy computers, monitors, keyboards, modems and other peripheral equipment tax-free after September 29, 1997.

According to the Ohio Department of Taxation, Sales and Use Tax Division (614-644-6896), to claim the exemption teachers must complete a sales tax exemption certificate and provide it to the seller at time of purchase. Unit Certificates, are available from office supply stores and printers or on the Internet at

<http://www.state.oh.us/tax/forms/BLNKEXEM.PDF>

(this file needs the Adobe Acrobat reader available free at

<http://www.adobe.com/prodindex/acrobat/alternate.html>

the form can be printed directly from Acrobat). Some stores also provide them for their customers' convenience.

You cannot use this exemption for separately sold software or computer supplies, such as paper, blank diskettes, printer ribbons or toner, etc.

The new law says sales taxes should not be collected if the sales meets the following guidelines:

"Sales of computers, computer monitors, computer keyboards, modems and other peripheral equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students."

If you encounter vendors who refuse to accept the certificate of exemption, contact the Department of Taxation at 614-644-6896.

(27) Sales to persons licensed to conduct a food service operation pursuant to section 3717.43 of the Revised Code, of tangible personal property primarily used directly for the following:

- (a) To prepare food for human consumption for sale;
 - (b) To preserve food that has been or will be prepared for human consumption for sale by the food service operator, not including tangible personal property used to display food for selection by the consumer;
 - (c) To clean tangible personal property used to prepare or serve food for human consumption for sale.
- (28) Sales of animals by nonprofit animal adoption services or county humane societies;
- (29) Sales of services to a corporation described in division (A) of section 5709.72 of the Revised Code, and sales of tangible personal property that qualifies for exemption from taxation under section 5709.72 of the Revised Code;
- (30) Sales and installation of agricultural land tile, as defined in division (B)(5)(a) of section 5739.01 of the Revised Code;
- (31) Sales and erection or installation of portable grain bins, as defined in division (B)(5)(b) of section 5739.01 of the Revised Code;
- (32) The sale, lease, repair, and maintenance of, parts for, or items attached to or incorporated in, motor vehicles that are primarily used for transporting tangible personal property by a person engaged in highway transportation for hire;

(33) Sales to the state headquarters of any veterans' organization in this state that is either incorporated and issued a charter by the congress of the United States or is recognized by the United States veterans administration, for use by the headquarters;

(34) Sales to a telecommunications service vendor of tangible personal property and services used directly and primarily in transmitting, receiving, switching, or recording any interactive, two-way electromagnetic communications, including voice, image, data, and information, through the use of any medium, including, but not limited to, poles, wires, cables, switching equipment, computers, and record storage devices and media, and component parts for the tangible personal property. The exemption provided in division (B)(34) of this section shall be in lieu of all other exceptions under division (E)(2) of section 5739.01 of the Revised Code to which a telecommunications service vendor may otherwise be entitled based upon the use of the thing purchased in providing the telecommunications service.

(35) Sales of investment metal bullion and investment coins. "Investment metal bullion" means any elementary precious metal that has been put through a process of smelting or refining, including, but not limited to, gold, silver, platinum, and palladium, and which is in such state or condition that its value depends upon its content and not upon its form. "Investment metal bullion" does not include fabricated precious metal that has been processed or manufactured for one or more specific and customary industrial, professional, or artistic uses. "Investment coins" means numismatic coins or other forms of money and legal tender manufactured of gold, silver, platinum, palladium, or other metal under the laws of the United States or any foreign nation with a fair market value greater than any statutory or nominal value of such coins.

(36)(a) Sales where the purpose of the consumer is to use or consume the things transferred in making retail sales and consisting of newspaper inserts, catalogues, coupons, flyers, gift certificates, or other advertising material that prices and describes tangible personal property offered for retail sale.

(b) Sales to direct marketing vendors of preliminary materials such as photographs, artwork, and typesetting that will be used in printing advertising material; of printed matter that offers free merchandise or chances to win sweepstakes prizes and that is mailed to potential customers with advertising material described in division (B)(36)(a) of this section; and of equipment such as telephones, computers, facsimile machines, and similar tangible personal property primarily used to accept orders for direct marketing retail sales.

(c) Sales of automatic food vending machines that preserve food with a shelf life of forty-five days or less by refrigeration and dispense it to the consumer.

For purposes of division (B)(36) of this section, "direct marketing" means the method of selling where consumers order tangible personal property by United States mail, delivery service, or telecommunication and the vendor delivers or ships the tangible personal property sold to the consumer from a warehouse, catalogue distribution center, or similar fulfillment facility by means of the United States mail, delivery service, or common carrier.

(37) Sales to a person engaged in the business of horticulture or producing livestock of materials to be incorporated into a horticulture structure or livestock structure;

(38) The sale of a motor vehicle that is used exclusively for a vanpool ridesharing arrangement to persons participating in the vanpool ridesharing arrangement when the vendor is selling the vehicle pursuant to a contract between the vendor and the department of transportation;

(39) Sales of personal computers, computer monitors, computer keyboards, modems, and other peripheral computer equipment to an individual who is licensed or certified to teach in an elementary or a secondary school in this state for use by that individual in preparation for teaching elementary or secondary school students;

(40) Sales to a professional racing team of any of the following:

(a) Motor racing vehicles;

(b) Repair services for motor racing vehicles;

(c) Items of property that are attached to or incorporated in motor racing vehicles, including engines, chassis, and all other components of the vehicles, and all spare, replacement, and rebuilt parts or components of the vehicles; except not including tires, consumable fluids, paint, and accessories consisting of instrumentation

sensors and related items added to the vehicle to collect and transmit data by means of telemetry and other forms of communication.

(41) Sales of used manufactured homes and used mobile homes, as defined in section 5739.0210 [5739.02.10] of the Revised Code, made on or after January 1, 2000;

(42) Sales of tangible personal property and services to a provider of electricity used or consumed directly and primarily in generating, transmitting, or distributing electricity for use by others, including property that is or is to be incorporated into and will become a part of the consumer's production, transmission, or distribution system and that retains its classification as tangible personal property after incorporation; fuel or power used in the production, transmission, or distribution of electricity; and tangible personal property and services used in the repair and maintenance of the production, transmission, or distribution system, including only those motor vehicles as are specially designed and equipped for such use. The exemption provided in this division shall be in lieu of all other exceptions in division (E)(2) of section 5739.01 of the Revised Code to which a provider of electricity may otherwise be entitled based on the use of the tangible personal property or service purchased in generating, transmitting, or distributing electricity.

For the purpose of the proper administration of this chapter, and to prevent the evasion of the tax, it is presumed that all sales made in this state are subject to the tax until the contrary is established.

As used in this section, except in division (B)(16) of this section, "food" includes cereals and cereal products, milk and milk products including ice cream, meat and meat products, fish and fish products, eggs and egg products, vegetables and vegetable products, fruits, fruit products, and pure fruit juices, condiments, sugar and sugar products, coffee and coffee substitutes, tea, and cocoa and cocoa products. It does not include: spirituous liquors, wine, mixed beverages, or beer; soft drinks; sodas and beverages that are ordinarily dispensed at or in connection with bars and soda fountains, other than coffee, tea, and cocoa; root beer and root beer extracts; malt and malt extracts; mineral oils, cod liver oils, and halibut liver oil; medicines, including tonics, vitamin preparations, and other products sold primarily for their medicinal properties; and water, including mineral, bottled, and carbonated waters, and ice.

(C) The levy of this tax on retail sales of recreation and sports club service shall not prevent a municipal corporation from levying any tax on recreation and sports club dues or on any income generated by recreation and sports club dues.

HISTORY: GC § 5546-2; 115 v PtII, 306, § 2; 116 v 41, § 2; 116 v PtII, 69; 116 v PtII, 323; 117 v 761; 122 v 912; 124 v 166; Bureau of Code Revision, 10-1-53; 128 v 421 (Eff 7-1-59); 129 v 1301 (Eff 10-16-61); 129 v 1336 (Eff 1-2-62); 130 v 1347 (Eff 1-23-63); 130 v 1351 (Eff 7-26-63); 131 v 1369 (Eff 9-22-65); 131 v 1374 (Eff 11-5-65); 132 v H 519 (Eff 11-30-67); 132 v S 350 (Eff 9-1-67); 132 v S 207 (Eff 5-3-68); 132 v S 474 (Eff 6-11-68); 134 v S 222 (Eff 12-10-71); 134 v H 475 (Eff 12-20-71); 135 v S 241 (Eff 10-30-73); 135 v H 3 (Eff 11-21-73); 135 v S 244 (Eff 6-13-74); 135 v H 1313 (Eff 9-30-74); 137 v H 291 (Eff 6-15-78); 137 v H 563 (Eff 6-28-78); 137 v H 635 (Eff 8-16-78); 137 v H 8 (Eff 8-29-78); 138 v H 1 (Eff 5-16-79); 138 v H 154 (Eff 8-14-79); 138 v H 355 (Eff 1-1-80); 138 v H 703 (Eff 1-16-81); 138 v H 1112 (Eff 3-23-81); 139 v H 275 (Eff 8-1-81); 139 v H 1 (Eff 8-5-81); 139 v H 694 (Eff 11-15-81); 139 v H 671 (Eff 12-9-81); 139 v S 530 (Eff 6-25-82); 140 v S 231 (Eff 9-20-84); 141 v H 146 (Eff 9-11-85); 141 v H 560 (Eff 9-11-85); 141 v H 335 (Eff 12-11-85); 141 v H 583 (Eff 2-20-86); 141 v H 500 (Eff 5-6-86); 141 v H 54 (Eff 9-17-86); 142 v H 171 (Eff 7-1-87); 142 v S 21 (Eff 10-20-87); 142 v S 92 (Eff 10-20-87); 142 v H 772 (Eff 6-29-88); 142 v S 386 (Eff 3-29-88); 142 v H 708 (Eff 4-19-88); 143 v H 111 (Eff 7-1-89); 143 v S 156 (Eff 12-31-89); 143 v H 531 (Eff 7-1-90); 143 v H 365 (Eff 4-1-90); 144 v H 298 (Eff 8-1-91); 144 v S 131 (Eff 5-15-92); 144 v H 766 (Eff 1-22-93); 144 v H 904 (Eff 1-1-93); 144 v S 359 (Eff 12-22-92); 145 v S 18 (Eff 9-27-93); 145 v H 207 (Eff 6-30-93); 145 v H 152 (Eff 7-1-93); 145 v H 281 (Eff 7-2-93); 145 v H 163 (Eff 5-10-94); 145 v H 715 (Eff 7-22-94); 145 v H 632 (Eff 7-22-94); 146 v H 249 (Eff 7-17-95); 146 v H 117 (Eff 9-29-95); 146 v S 310 (Eff 6-20-96); 147 v H 210 (Eff 3-31-97); 147 v H 215 (Eff 9-29-97); 147 v S 66 (Eff 7-22-98); 147 v H 770 (Eff 6-17-98; Eff 7-22-98, (B)(18), § 33); 147 v S 142 (Eff 3-30-99); 148 v H 163 (Eff 3-31-99); 148 v S 3 (Eff 7-6-99; 10-5-99*); 148 v H 223 (Eff 11-3-99); 148 v H 640 (Eff 9-14-2000); 148 v H 612 (Eff 9-29-2000); 148 v H 138 (Eff 11-3-2000); 149 v H 94 (Eff 9-5-2001); 149 v H 117 (Eff 10-8-2001); 149 v S 143 (Eff 6-21-2002); 149 v S 200 (Eff 9-6-2002); 149 v H 371. Eff 10-11-2002.

* The effective date of SB 3, as it applies to this section, is unclear. See Ohio Constitution Art. II, §§ 1c and 1d.



STATE OF OHIO
DEPARTMENT OF TAXATION
SALES AND USE TAX
BLANKET EXEMPTION CERTIFICATE

The purchaser hereby claims exception or exemption on all purchases of tangible personal property and selected services made under this certificate from:

(vendor's name)

and certifies that this claim is based upon the purchaser's proposed use of the items or services, the activity of the purchaser, or both, as shown hereon:

PURCHASER MUST STATE A VALID REASON FOR CLAIMING EXCEPTION OR EXEMPTION.

Purchaser's Name

Street Address

City

State

Zip

Signature and Title

Date Signed

Vendor's License Number, if any

Vendors of motor vehicles, titled watercraft and titled outboard motors may use this certificate to purchase these items under the "resale" exception. Otherwise, purchasers must comply with rule 5703-9-10 of the Administrative Code.

This certificate cannot be used by construction contractors to purchase material for incorporation into real property under an exempt construction contract. Construction contractors must comply with rule 5703-9-14 of the Administrative Code.