

# M & E Tax Exemption Statement

## TAX EXEMPTION CERTIFICATION FOR MACHINERY AND EQUIPMENT

Equipment purchased for University research and development activities may qualify for tax exemption. The tax exemption is allowable under RCW 82.08.02565, known as the Machinery and Equipment Tax Exemption, or "M&E Exemption." Qualifying usage is the only requirement for this exemption. The Principal Investigator, Departmental Researcher and ultimately Department Chair or Director must ensure that all criteria for the exemption are met. They are as follows:

The good(s) and/or services purchased on requisition \_\_\_\_\_, Procurement card/ Trans ID \_\_\_\_\_ or EProcurement order \_\_\_\_\_ can be described as: [check one or more]

- machinery or equipment to be directly used more than 50% in a research and development operation; total cost exceeds \$1,000 and the item has a useful life of more than one year.
- machinery or equipment to be directly used more than 50% in testing operations; total cost exceeds \$1,000 and the item has a useful life of more than one year.

The applied use of equipment qualifies for the tax exemption as: [check one or more]

- research performed is to discover technological information.
- technical & non-routine activities concerned with translating technological information into new or improved products, processes, techniques, formula, inventions or software.
- exploration of new use for existing drug, device, or biological product.
- research and development associated with advanced computing, advanced materials, biotechnology, electronic devise technology or environmental technology.

Describe specific research and development or testing application of equipment requisitioned:

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The tax exemption provided by RCW 82.08.02565 does not apply to the following applied uses of goods and services.

- adaptation or duplication of existing products not substantially improved by application of the technology
  - surveys and studies
  - social science and humanities research
  - market research or testing
  - quality control
  - sale promotion and service
- computer software developed for internal use
  - research in areas such as improved style, taste and seasonal design
  - hand-powered tools equipment
  - buildings, building fixtures not integral to research and development activity

By signature below, certify that the equipment and its applied use meet the above criteria. If at any point it is determined the requisition did not qualify for the sales/use tax exemption the department is responsible for all taxes, interest, and penalties accessed.

<b>Principal Investigator or Departmental Researcher</b>	<b>Department Administrative Officer, Director, Chair or Dean</b>
Signature:	Signature:
Name (print):	Name (print):
Title:	Title:
Date:	Date: