Comptroller of Public Accounts FORM 01-931 (11-13)

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Qualified Research Sales and Use Tax Exemption Certificate

Persons engaged in qualified research who hold a registration number issued by the Comptroller must provide this completed form to sellers when claiming an exemption from Texas sales and use tax on items that qualify for exemption under Texas Tax Code Section 151.3182. The certificate may serve as a blanket exemption certificate covering all qualifying purchases.

This form may not be used to claim exemption from tax on motor vehicles, including trailers.

Seller Information

Name **RAECO Rents LLC**	
Address *(Street and number, P.O. Box or route number)* **135 Bernice Drive**	
City, State, ZIP code **Bensenville, IL 60106**	Phone *(Area code and number)* **866-736-8347**

Purchaser Information

Name	Qualified Research registration number R D
Address *(Street and number, P.O. Box or route number)*	
City, State, ZIP code	Phone *(Area code and number)*

I, the purchaser named above, claim an exemption from payment of sales and use taxes for the following items:

Description of items to be purchased or on the attached order or invoice

I understand that I will be liable for payment of all state and local sales or use taxes which may become due for failure to comply with the provisions of the Tax Code and/or applicable law.

I understand that it is a criminal offense to issue an exemption certificate to the seller for taxable items that I know, at the time of purchase, will be used in a manner that does not qualify for the exemptions found in Tax Code Section 151.3182, and depending on the amount of tax evaded, the offense may range from a Class C misdemeanor to a felony of the second degree.

sign here ▶ Authorized Purchaser's signature	Purchaser's name *(Print or type)*	Date

This certificate should be furnished to the supplier.
Do not send the completed certificate to the Comptroller of Public Accounts.

What Types of Items Qualify for the Research Exemption?

The exemption can be claimed on the purchase, lease, rental, storage or use of depreciable tangible personal property directly used in qualified research. To claim the exemption, the purchaser must include the RD registration number issued by the Comptroller on this certificate.

Depreciable tangible personal property is tangible personal property that meets the criteria below:

- has a useful life of more than one year; and
- is subject to depreciation under either Generally Accepted Accounting Principles (GAAP) or Section 167 or 168 of the Internal Revenue Code. For federal income tax purposes, a depreciation deduction, generally, is a reasonable allowance for the exhaustion, wear and tear and, in some cases for the obsolescence, of certain business-related or income-producing property. For the purpose of the sales tax exemption, the depreciable item must be directly used in qualified research.

Examples of items that qualify for exemption include tools and machinery.
Nonqualifying items include electricity and natural gas.

Qualified Research

"Qualified research" means research for which expenditures may be treated as expenses under Section 174, Internal Revenue Code. The research must be undertaken to discover information that is technological in nature, and that will be applied in developing a new or improved business component of the person undertaking the research. Substantially, all of the activities of the research must be elements of a process of experimentation relating to a new or improved function, performance, reliablility or quality.

Non-Qualified Research

Qualified research does not include the following activities:

- research related to style, taste, cosmetic or seasonal design factors;
- research conducted after the beginning of commercial production of the business component;
- research adapting an existing product or process to a particular customer's need;
- duplication of an existing product or process;
- surveys or studies;
- research relating to certain internal-use computer software;
- research conducted outside the United States, Puerto Rico or a U.S. possession;
- research in the social sciences, arts or humanities; or
- research funded by another person or governmental entity.

For more information, visit our Research and Development website at www.window.state.tx.us/taxinfo/qualified_research.
You may also contact us online at https://www.window.state.tx.us/taxhelp/ or by phone at 1-800-252-5555 or 512-463-4600.