02/16/2001

CERTIFICATION FORM FOR TAX EXEMPT MACHINERY AND EQUIPMENT PURCHASED FOR RESEARCH AND DEVELOPMENT

Arizona Revised Statutes Section 42-5061.B.14 provides an exemption from transaction privilege tax and Arizona Revised Statutes Section 42-5159.B.14 provides an exemption from use tax on "machinery and equipment used in research and development."

"Research and development" means basic and applied research in the sciences and engineering, and designing, developing or testing prototypes, processes or new products, including research and development of computer software that is embedded in or an integral part of the prototype or new product or that is required for machinery or equipment otherwise exempt under this section to function effectively. Research and development does not include manufacturing quality control, routine consumer product testing, market research, sales promotion, sales service, research in social sciences or psychology, computer software research that is not included in the definition of research and development, or other nontechnological activities or technical services (ARS Sections 42-5061.B.14 and 42-5159.B.14 and Model City Code 110(a)(13)).

I _____ of _____ certify
Print Name College or Department
that the capital equipment to be purchased on_____ complies
Document Number (e.g., RX Number)
with the above Arizona Revised statutes and model city tax code in meeting the criteria as defined by those sections as being research and development machinery and equipment, and is, therefore, exempt from state and city transaction privilege tax or use tax.
In the event it is determined by a taxing authority that the equipment does not meet the criteria for research and development machinery and equipment, I understand our department/college is solely responsible for any tax, interest or penalties imposed by the taxing authority.

_____ _____
Signature Date