

**Message for Businesses that Qualify for the
SMALL BUSINESS ENERGY EXEMPTION
Current exemption extended through March 31, 2019**

Sales of gas, steam, electricity and heating fuel are generally taxable when sold to businesses. In some cases, energy sales may be exempt from taxes for qualifying small businesses. A qualifying small business must have had gross income of less than \$1,000,000 in the prior year and anticipate less than \$1,000,000 in the current year. The business must also have five or fewer full-time employees and the energy product must be used only by the qualifying business.

THE EXEMPTION PROCESS WILL NOW BE AUTOMATED AND EFFECTIVE FOR TWO YEARS

Instead of filling out Form ST-13 for each utility company, the business will complete the information for the exemption online through the Department of Revenue's [MassTaxConnect](#) application to receive a Small Business Energy Exemption Certificate. The Certificate will be effective for two years, rather than one year as it had been.

CURRENT EXEMPTIONS ARE EXTENDED THROUGH MARCH 31, 2019

All current exemptions have been automatically extended beyond December 31, 2018 to March 31, 2019. No action is necessary by the small business to extend the exemption. The new process will be available on MassTaxConnect (www.mass.gov/masstaxconnect) beginning January 1, 2019.

Information, including frequently asked questions, is available on the Department of Revenue's [small business energy exemption](#) webpage and will be updated, as needed, with any changes.

If you have additional questions, please direct them to dor360@dor.state.ma.us



Commonwealth of Massachusetts
Department of Revenue
Christopher C. Harding, Commissioner

mass.gov/dor

Letter ID: L1140815488
Notice Date: January 2, 2019
MA Taxpayer ID:



SMALL BUSINESS ENERGY EXEMPTION CERTIFICATE



SAMPLE

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Attached below is your Small Business Energy Exemption Certificate (Form SBE). You are required to provide a copy of this Certificate, or the Certificate Number, to your gas, steam, electricity and heating fuel vendors.

- If your business continues to qualify for the exemption, you must renew this certificate prior to the expiration date.
- If your business no longer qualifies for the exemption at any time before the expiration date of this certificate, you must notify the Department of Revenue and your gas, steam, electricity and heating fuel vendors.
- For any period where sales tax was not collected by the vendors but your business did not qualify for the exemption, you are responsible for any Massachusetts Use Tax due on your purchases of gas, steam, electricity and heating fuel.
- For more information, visit our website at mass.gov/business-taxes.

DETACH HERE



MASSACHUSETTS DEPARTMENT OF REVENUE

Form SBE

Certificate of Exemption

SAMPLE

MA Taxpayer ID:
Certificate Number: EE

This certifies that the business named above is an exempt purchaser under Chapter 64H, section 6(qq) of the Massachusetts General Laws. All purchases of gas, steam, electricity or heating fuel by this business are exempt from taxation to the extent used in the conduct of the business of the purchaser. Willful misuse of this certificate is subject to criminal sanctions of up to one year in prison and \$10,000 (\$50,000 for corporations) in fines. This certificate is non-transferable and may be suspended or revoked for failure to comply with state laws and regulations.

Effective Date:

Expiration Date: December 31, 2020