

Arizona Department of Revenue
Transaction Privilege Tax Exemption Certificate
For Commercial Enhancement Reuse District Projects

ARIZONA FORM
5003

This exemption Certificate is prescribed by the Department of Revenue pursuant to ARS § 42-5009

This Certificate is to be completed by the purchaser and furnished to the vendor. The vendor shall retain this Certificate.
Incomplete Certificates are not considered to be accepted in good faith.

Information

Purchaser's Business Name and Address _____ _____ _____	Arizona Transaction Privilege Tax License Number _____ TIN _____ Other Tax License Number _____ Other State/County _____ If no license number, provide reason: _____ _____ Certificate of Qualification _____ _____
Precise Nature of Business _____	

Check Applicable Box: Single Purchase Certificate Period: _____ Through _____
Date of Purchase: _____ (If period box is checked, show the date of the first purchase.)

If the Period box is checked, this Certificate is in force for the stated period, unless canceled by the purchaser or the vendor.

Exemption

This Certificate should be used to document exempt sales of tangible personal property to qualified contractors constructing a lake facility development defined in A.R.S. § 9-499.08. (See back of this form for details) **Note:** These sales are not exempt from county excise taxes imposed under A.R.S. §§ 42-6104 and 48-4233.

Describe the tangible personal property purchased and its use below. (Use additional pages if needed)

Certification

A seller that has reason to believe that the certificate is not accurate, complete or applicable to the transaction, may not accept the certificate in good faith and the seller will not be relieved of the burden of proving entitlement to the exemption. A seller that accepts a certificate in good faith will be relieved of the burden of proof and the purchaser may be required to establish the accuracy of the claimed exemption. If the purchaser cannot establish the accuracy and completeness of the information provided in the certificate, the purchaser is liable for an amount equal to the transaction privilege tax, penalty and interest which the seller would have been required to pay if the seller had not accepted the certificate. Misuse of this Certificate will subject the purchaser to payment of the ARS § 42-5009 amount equal to any tax, penalty or interest. Willful misuse of this Certificate will subject the purchaser to criminal penalties of a felony pursuant to ARS § 42-1127.B.2.

I, (print full name) _____, hereby certify that these purchases are exempt from Arizona transaction privilege tax and that the information on this Certificate is true, accurate and complete. Further, if purchasing as an agent, I certify that I have a duly executed written authorization to execute this Certificate on behalf of the purchaser named above.

Signature of purchaser/agent _____ **Date** _____

Title _____

A.R.S. § 9-499.08. provides that the governing body of a city or town may designate one commercial enhancement reuse district in the city or town that meets all of the following requirements:

1. The district contains a lake facility that exists before the expiration of the certificate of qualification under subsection D of this section.
2. The district contains not more than twenty-five acres, in addition to the lake facility.
3. The district includes recreational, commercial and retail facilities that exist before the expiration of the certificate of qualification under subsection D of this section and that may be publicly or privately owned or operated.
4. The district is located in a redevelopment area that is established pursuant to Title 36, Chapter 12, Article 3.

A builder who wishes to qualify a development as a lake facility development for purposes of a transaction privilege tax exemption under § 42-5075 subsection B, paragraph 8 and § 42-6004 shall apply to the city or town for a certification of lake facility development qualification. On receiving the application, the city or town may certify the development as a lake facility development if it determines that all of the following are true:

1. The development will contribute to the long-term vitality of the commercial enhancement reuse district.
2. The quality of the proposed development is appropriate to the area.
3. The investment to be made in the development is at least forty million dollars.

For the purposes of this provision, the following definitions apply:

1. "Builder" means a person who acts as a prime contractor, as defined in § 42-5075, in constructing any new lake facility development in a designated commercial enhancement reuse district.

2. "Lake Facility" means a publicly or privately owned artificial lake or a publicly or privately owned constructed aquatic habitat and related reservoir that covers at least one hundred acres within the exterior boundaries of the city or town and that is impounded primarily in an existing natural riverbed or that is adjacent to an existing natural riverbed, with related facilities for use of and access to water.

3. "Lake Facility Development" means a lake facility and ancillary improvements for which the construction costs do not exceed one hundred twenty-five million dollars and for which the builder has received a certificate of qualification under § 9-499.08. Ancillary improvement may include the following, whether located in or outside the lake facility or whether newly constructed or renovated:

- (a) necessary or incidental workings.
- (b) necessary or desirable furnishings, equipment and appurtenances associated with the lake.
- (c) impoundment structures, edge treatment, and water delivery and recovery systems.
- (d) drainage and flood control systems, including facilities for collection, transportation, diversion, storage, detention, retention, dispersal, effluent use and discharge.
- (e) water systems for domestic, irrigation, municipal or fire protection purposes including production, collection, storage, treatment, transportation, delivery and connection with dispersal.
- (f) roadways and shared parking facilities for the lake, public recreation areas, open space and hardscape areas.
- (g) pedestrian walkways, trails, parks, recreational facilities and open space areas for use by the public for entertainment, assembly and recreation.
- (h) relocating power lines or placing power lines underground.