



DO NOT SEND

DR 1192 (10/12/17)  
COLORADO DEPARTMENT OF REVENUE  
Denver CO 80261-0009  
*Colorado.gov/Tax*

## Instructions For Using Colorado Machinery and Machine Tools Sales Tax Exemption Agreement

1. Taxpayer currently files more than 100 Machinery and Machine Tool Exemption forms (DR 1191's) per year. Taxpayer elects to use this alternative method of meeting Machinery and Machine Tool responsibilities by completing and signing the "Colorado Machinery and Machine Tools State Sales Tax Exemption Declaration". This declaration is then sent to the Colorado Department of Revenue.
2. Taxpayer may photocopy this declaration and send this photocopy along with purchase order (excluding blanket or open purchase orders) for machinery and machine tools qualifying for exemption from Colorado State sales tax. Seller will type or write purchasers Colorado account number on the sales invoice.
3. If taxpayer routinely purchases from a vendor a photocopy of the declaration may be kept on file by the vendor. The purchaser can then purchase machinery and machine tools, qualifying for exemption of Colorado State sales tax by indicating on the purchase order "exempt sale - Colorado State Sales Tax Account #XXXXXXX" (excludes blanket or open purchase orders). Seller will type or write purchasers Colorado account number on the sales invoice. It should be noted by the purchaser that inclusion of the purchasers Colorado account number on the purchase order removes any sales tax liability from the seller. The purchaser is liable for any subsequent sales tax liability for the purchase.
4. Taxpayer will include a description of item(s) including machine parts (after 01/01/88) and how this Machine(s) or Machine part(s) is used in manufacturing on either the purchase order or the sales invoice. If the description is entered on the purchase order then the purchase order or a photocopy of the purchase order must be attached to the sales invoice and maintained in the sales invoice file.
5. Taxpayer agrees to maintain the sales invoices and purchase order records in accordance with Colorado Statutory requirements.
6. This alternative method will not require purchaser to file any documents with the Department of Revenue. Should purchaser be audited all required information will be available within the taxpayer's sales invoice file.
7. The Colorado Department of Revenue may revoke taxpayer's Colorado Machinery and Machine Tools Sales Tax Exemption Agreement if taxpayer is abusing the privilege of using this alternative method.

**Note:** Cities, counties and special districts may or may not exempt manufacturing equipment from local sales taxes. Refer to publication DR 1002 for a list of localities that exempt this equipment from local tax.



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## Colorado Machinery and Machine Tools State Sales Tax Exemption Declaration

**A taxpayer may file the DR 1192, Colorado Machinery and Machine Tools State Sales Tax Exemption Declaration, if the taxpayer (purchaser):**

- Anticipates filing annually more than 100 Machinery and Machine Tool Exemption forms (DR 1191's).
- Maintains sales invoices with a description of item(s) including machine parts (after 01/01/88) and indicate how the machine(s) or machine part(s) are used in manufacturing.
- Agrees to comply with all instructions for using Colorado Machinery and Machine Tools Sales Tax Exemption Declaration.

|  |  |                                   |            |                 |
|--|--|-----------------------------------|------------|-----------------|
| Company Name   |  | Colorado Sales Tax Account Number |            | Date (MM/DD/YY) |
| Location Address   |  | City                              | State      | Zip             |
| Mailing Address  |  | City                              | State      | Zip             |
| Type of Business   |  |                                   |            |                 |
| Phone Number   |  |                                   | Fax Number |                 |
| I declare under penalty of perjury in the second degree that I am a duly authorized officer of the corporation for which Exemption Declaration is requested and that I am acting in my official capacity in making this request. |  |                                   |            |                 |
| Name (printed)   |  |                                   | Title      |                 |
| Signature  |  |                                   |            | Date (MM/DD/YY) |