



P.O. Box O  
315 Main Ave N  
Bagley, MN 56621-1001  
Phone (218) 694-6241  
Toll-free 1-888-694-3833  
Fax (218) 694-6245

# HEATING SALES TAX EXEMPTION

I hereby verify that I use electricity as my primary source of residential heating.

My electric heat is on the regular rate and is recorded on meter number:

\_\_\_\_\_ OR

My electric heat is on the off-peak rate and is recorded on off-peak meter number(s):

\_\_\_\_\_

If you have more than one off-peak meter, all **meters that are exempt** must be listed.

I further certify that electricity will be the primary source of heat at this residence until further notice and I am responsible for notifying the cooperative when this status no longer applies, Minnesota Statute 297A.67 Subd 15.

## Residential Customers Include:

- \* Apartments
- \* Intermediate care facilities
- \* Mobile homes
- \* Rooming houses
- \* Fraternity or sorority houses
- \* Town houses
- \* Condominiums
- \* Garages-residential (attached or unattached)
- \* Lake cabins
- \* Nursing homes
- \* Single family homes
- \* Correctional facilities
- \* Duplexes

Utilities supplied for residential heating during construction of a residence are not taxable. Residential use does not include use in travel trailers, motor homes or other recreational vehicles.

<b>Name:</b>		<b>Account Number:</b>	
<b>Address:</b>	<b>City:</b>	<b>State:</b>	<b>Zip:</b>
<b>Phone:</b>		<b>Email:</b>	

Signature: \_\_\_\_\_ Date: \_\_\_\_\_



Your Touchstone Energy<sup>®</sup> Cooperative  
The power of human connections<sup>®</sup>

Electricity sold for residential use is not taxable for the billing months of November, December, January, February, March and April when sold to metered customers who use it as their primary source of residential heat. If more than one type of heat is used, electricity is not taxable if it is the **primary source** of heat. Primary source of residential heat is the source that supplies more heat than any other source for the largest period of time during the heating season.

If the primary source of residential heat is electricity, and there is only one meter, then all electricity measured through that meter is not taxable during the winter heating months.

If a customer is on a budget plan with utility that supplies the primary heating fuel, monthly payments will not change during the heating season. Sales tax is based on when the actual consumption takes place, not when the customer pays the utility bill. The utility company knows that tax is not charged during the heating season when determining the amount of the monthly budget payment.

### **Commercial and Residential use:**

Some buildings have both residential quarters and commercial operations. If there is one meter for the entire building for electricity, square footage is used to determine if the residential exemption applies:

- \* The residential exemption applies if more than 50 percent of the square footage of the building is residential.
  
- \* The utilities are taxable if 50 percent or more of the square footage of the building is used for commercial operations.

See Minnesota Sales Tax Fact Sheet 157.