



PROJECT SUMMARY

MANUFACTURING ENERGY USE SALES AND USE TAX EXEMPTION STUDY & ENERGY AUDIT CARSON HELICOPTERS, INC.

PROJECT SUMMARY

Bridgestone Associates conducted a Sales and Use Tax Exemption Study for Carson Helicopters, Inc., a manufacturer of helicopter blades and components, and a re-manufacturer of commercial helicopters in Perkasio, Pennsylvania. Under the Commonwealth of Pennsylvania Code, the energy used directly in the process of manufacturing, or in this case re-manufacturing, in facilities within the Commonwealth is exempt from Sales and Use Taxes. However, the remainder of the energy used within the same facility for non-manufacturing purposes is subject to these taxes and, as a result, the manufacturing and non-manufacturing uses must be distinguished for tax purposes.

Bridgestone conducted a detailed study of all electrical equipment used in the manufacturing and re-manufacturing processes, developing a complete list of equipment and its nameplate data. With input from facility staff on operating hours, frequency of operation, etc. for each piece of equipment, Bridgestone calculated the annual energy use for each piece of equipment. Bridgestone then calculated the total annual energy use for manufacturing and re-manufacturing. This was then compared to the total facility use in order to calculate the percentage that should be exempt from sales and use taxes.

In addition to preparing the sales and use tax exemption study, Bridgestone also conducted a preliminary energy efficiency audit, highlighting to the client areas where energy efficiencies could be improved within the facility.

Bridgestone provided a detailed report to Carson Helicopter. In addition, Bridgestone prepared and provided spreadsheets detailing the information necessary to prepare the Certificate of Exemption forms to be filed with the facility's energy suppliers and with the Commonwealth of Pennsylvania's Department of Revenue.

REV 12/01 AS + (a) (b)(2)



DEPARTMENT OF REVENUE
BUREAU OF BUSINESS TRUST FUNDS TAXES
PO BOX 280909
HARRISBURG, PA 17105-0909

PENNSYLVANIA EXEMPTION CERTIFICATE

CHECK ONE:

STATE OR LOCAL SALES AND USE TAX

STATE OR LOCAL - HOTEL OCCUPANCY TAX

PUBLIC TRANSPORTATION ASSISTANCE TAXES AND FEES (PTA)

VEHICLE RENTAL TAX (VRT) Please Print or Type

This form cannot be used to obtain a Sales Tax License Number, PTA License Number or Exempt Status.

Read Instructions On Reverse Carefully

THIS FORM MAY BE PHOTOCOPIED - VOID UNLESS COMPLETE INFORMATION IS SUPPLIED

CHECK ONE: PENNSYLVANIA TAX UNIT EXEMPTION CERTIFICATE (USE FOR ONE TRANSACTION); PENNSYLVANIA TAX BLANKET EXEMPTION CERTIFICATE (USE FOR MULTIPLE TRANSACTIONS)

Name of Seller, Vendor, or Lessor _____

Street _____ City _____ State _____ ZIP Code _____

NOTE: Do not use this form for claiming an exemption on the registration of a vehicle. To claim an exemption from tax for a motor vehicle, trailer, semi-trailer or tractor with the PA Department of Transportation, Bureau of Motor Vehicles, use one of the following forms:
FORM MV-1 Application for Certificate of Title (first time registrations)
FORM MV-4ST Vehicle Sales and Use Tax Return/Application for Registration (other registrations)

Property and services purchased or leased using this certificate are exempt from tax because: (Select the appropriate paragraph from the back of this form, check the corresponding block below and insert information requested.)

1. Property or services will be used directly and predominantly by purchaser in performing purchaser's operation of: _____

2. Purchaser is alien: _____

3. Property will be resold under License Number _____ (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)

4. Purchaser is alien: _____ holding Exemption Number _____

5. Property or services will be used directly and predominantly by purchaser performing a public utility service.
 PA Public Utility Commission PUC Number _____ and/or US Department of Transportation MC/MX _____

6. Exempt wrapping supplies, License Number _____ (If purchaser does not have a PA Sales Tax License Number, include a statement under Number 7 explaining why a number is not required.)

7. Other _____
(Explain in detail. Additional space on reverse side.)

I am authorized to execute this Certificate and claim this exemption. Misuse of this Certificate by seller, lessor, buyer, lessee, or their representative is punishable by fine and imprisonment.

Name of Purchaser or Lessee _____ Signature _____ EIN _____ Date _____

Street _____ City _____ State _____ ZIP Code _____

1. ACCEPTANCE AND VALIDITY:
For this certificate to be valid, the seller/lessor shall exercise good faith in accepting this certificate, which includes: (1) the certificate shall be completed properly; (2) the certificate shall be in the seller/lessor's possession within 60 days from the date of sale/lease; (3) the certificate does not contain information which is knowingly false; and (4) the property or service is consistent with the exemption to which the customer is entitled. For more information refer to Exemption Certificates, Title 61 PA Code §32.2. An invalid certificate may subject the seller/lessor to the tax.

2. REPRODUCTION OF FORM:
This form may be reproduced but shall contain the same information as appears on this form.

3. RETENTION:
The seller or lessor must retain this certificate for at least four years from the date of the exempt sale to which the certificate applies. DO NOT RETURN THIS FORM TO THE PA DEPARTMENT OF REVENUE.

4. EXEMPT ORGANIZATIONS:
This form may be used in conjunction with form REV-1715, Exempt Organization Declaration of Sales Tax Exemption, when a purchase of \$200 or more is made by an organization which is registered with the PA Department of Revenue as an exempt organization. These organizations are assigned an exemption number, beginning with the two digits 75 (example: 75-00000-0).



PROJECT STATISTICS

Client:	Carson Helicopters, Inc.
Location:	Perkasie, Pennsylvania
Project Type:	Detailed Sales and Use Tax Exemption Study Preliminary Energy Audit
Facility Size:	84,000 sq ft hangar 60,000 sq ft warehouse Paint shop
Energy Use:	1,259,080 kWh/year total facility 524,795 kWh/year used in manufacturing
Exemption Results:	41.7% of electricity purchased by the facility is used in manufacturing and therefore exempt from Sales and Use Taxes.