

 **Illinois Department of Revenue**  
**ST-16-C Manufacturer's Purchase Credit Certificate**  
**for production-related tangible personal property**

**Purchaser and seller:** Complete this certificate together. The seller should keep the top portion and use this information to complete Line 16a of Form ST-1, Sales and Use Tax Return; the purchaser should keep the bottom portion and use this information to complete Form ST-17, Annual Report of Manufacturer's Purchase Credit Used. **Do not attach this certificate to any form.**

**Seller's portion**

Purchaser's business name: \_\_\_\_\_

Purchaser's business address: \_\_\_\_\_  
Number and street City State ZIP

- A** Date of purchase **A** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Day Year
- B** Purchaser's account ID number **B** \_\_\_\_\_
- C** Taxable selling price of this purchase **C** \$ \_\_\_\_\_
- D** Sales or use tax due - Multiply Line C by the seller's tax rate.  
**Note:** If the seller is not registered, multiply Line C by 6.25% (.0625). **D** \$ \_\_\_\_\_
- E** Amount of MPC being used (cannot be greater than 6.25 percent of Line C) **E** \$ \_\_\_\_\_
- F** Remaining tax due - Line D minus Line E. If the amount on this line is greater than zero, this is the tax amount the purchaser owes you. If you are using the credit towards self-assessed state use tax or service use tax, this is the tax amount you must pay on your Form ST-1, Sales and Use Tax Return. **F** \$ \_\_\_\_\_

I certify that I have Manufacturer's Purchase Credit and I am using it to satisfy all or part of the 6.25 percent state sales or use tax liability due on this purchase of production-related tangible personal property.

\_\_\_\_\_  
Purchaser's signature

\_\_\_\_\_  
Date



**CUT HERE**

**Purchaser's portion**

Detach and keep this portion. Use this information to complete Form ST-17, Annual Report of Manufacturer's Purchase Credit Used. **Do not attach this certificate to any form.** Copy all lines from the top part of this certificate except for Line B, on which you write the seller's Account ID number.

- A** Date of purchase **A** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_  
Month Day Year
- B** Seller's account ID number **B** \_\_\_\_\_
- C** Taxable selling price of this purchase **C** \$ \_\_\_\_\_
- D** Sales or use tax due - Multiply Line C by the seller's tax rate.  
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## General Information

Manufacturer's Purchase Credit (MPC) may be earned for tax-exempt purchases of manufacturing or graphic arts machinery and equipment. The MPC is equal to 50 percent of the 6.25 percent state tax that would have been owed if the purchase were not otherwise exempt.

MPC may be applied toward state sales or use tax on future purchases of production-related tangible personal property. This production-related tangible personal property includes tangible personal property

- incorporated into real estate within a manufacturing or graphic arts facility;
- used or consumed in activities such as preproduction material-handling, receiving, quality control, inventory control, storage, staging, and packaging for shipping and transportation purposes;
- used or consumed by the purchaser for research and development.

MPC may **not** be transferred to another party.

**To report the amount of MPC earned**, purchasers must complete and file Form ST-16, Annual Report of Manufacturer's Purchase Credit Earned, no later than June 30 of the year following the calendar year in which the original purchase of exempt manufacturing or graphic arts machinery and equipment was made. If Form ST-16 is not filed within this period, the MPC is forfeited. All unused MPC expires the last day of the second calendar year following the year in which the purchase was made.

**To report the amount of MPC used**, purchasers must complete and file Form ST-17, Annual Report of Manufacturer's Purchase Credit Used, no later than June 30 of the year following the calendar year in which the credit was used.

## Instructions for Form ST-16-C

**Purchasers** — You must complete and give the top part of Form ST-16-C (or equivalent certificate) to the registered seller to certify that you have MPC to apply towards the 6.25 percent state sales or use tax liability on the purchase. You must pay any locally imposed taxes (e.g., home rule, mass transit) directly to the supplier. If you

overstate your credit, you will be subject to tax, penalty, and interest charges.

Keep the bottom part of this certificate to use when you complete Form ST-17, Annual Report of Manufacturer's Purchase Credit Used.

**Do not** attach this certificate to any form.

**Note:** If you are using Manufacturer's Purchase Credit towards the state use or service use tax you owe on qualifying purchases from out-of-state sellers not registered in Illinois, you may complete and keep this certificate to document your use of the credit. Use the information from this certificate to complete Line 16a of your Form ST-1, Sales and Use Tax Return, to reduce the amount of use tax you owe when you report the purchase.

**Sellers** — Your customer must give you the top part of Form ST-16-C or an equivalent certificate to use MPC. You must give the purchaser your account ID number so that the bottom part of this certificate can be completed and to provide documentation in the purchaser's books and records.

Use the information from this certificate to complete Line 16a of your Form ST-1, Sales and Use Tax Return, to reduce the amount of tax you owe when you report the sale.

**Do not** attach this certificate to any form. You must keep this certificate in your records to document the use of the credit by your customer or, when appropriate, by yourself.

## Where can I get help?

You may get help by

- visiting our web site at [tax.illinois.gov](http://tax.illinois.gov) or call weekdays between 8 a.m. and 5 p.m. at **1 800 732-8866** or **217 782-3336**. Call **1 800 544-5304**, our TDD (telecommunications device for the deaf).
- writing to  
ILLINOIS DEPARTMENT OF REVENUE  
PO BOX 19015  
SPRINGFIELD IL 62794-9015

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