

Sec.
[4226. Repealed.]
4227. Cross reference.

Editorial Notes

AMENDMENTS

1986—Pub. L. 99-514, title XVIII, §1899A(74), Oct. 22, 1986, 100 Stat. 2963, substituted “reference” for “references” in item 4227.

1983—Pub. L. 97-473, title II, §202(b)(9), Jan. 14, 1983, 96 Stat. 2610, purported to substitute “Cross references” for “Cross reference” in item 4227. No change in text was required because item 4227 as originally enacted by section 119(a) of Pub. L. 85-859 already read “Cross references”.

1976—Pub. L. 94-455, title XIX, §1904(b)(3), Oct. 4, 1976, 90 Stat. 1815, struck out item 4226 “Floor stocks taxes”.

1965—Pub. L. 89-44, title I, §101(b)(5), June 21, 1965, 79 Stat. 136, struck out item 4224 “Exemption for articles taxable as jewelry.”

1958—Pub. L. 85-859, title I, §119(a), Sept. 2, 1958, 72 Stat. 1282, added subchapter heading and section analysis.

§ 4221. Certain tax-free sales

(a) General rule

Under regulations prescribed by the Secretary, no tax shall be imposed under this chapter (other than under section 4121 or 4081) on the sale by the manufacturer (or under subchapter C of chapter 31 on the first retail sale) of an article—

- (1) for use by the purchaser for further manufacture, or for resale by the purchaser to a second purchaser for use by such second purchaser in further manufacture,
- (2) for export, or for resale by the purchaser to a second purchaser for export,
- (3) for use by the purchaser as supplies for vessels or aircraft,
- (4) to a State or local government for the exclusive use of a State or local government,
- (5) to a nonprofit educational organization for its exclusive use, or
- (6) to a qualified blood collector organization (as defined in section 7701(a)(49)) for such organization’s exclusive use in the collection, storage, or transportation of blood,

but only if such exportation or use is to occur before any other use. Paragraphs (4), (5), and (6) shall not apply to the tax imposed by section 4064. In the case of taxes imposed by section 4051 or 4071, paragraphs (4) and (5) shall not apply on and after October 1, 2028. In the case of the tax imposed by section 4131, paragraphs (3), (4), and (5) shall not apply and paragraph (2) shall apply only if the use of the exported vaccine meets such requirements as the Secretary may by regulations prescribe.

(b) Proof of resale for further manufacture; proof of export

Where an article has been sold free of tax under subsection (a)—

- (1) for resale by the purchaser to a second purchaser for use by such second purchaser in further manufacture, or
- (2) for export, or for resale by the purchaser to a second purchaser for export,

subsection (a) shall cease to apply in respect of such sale of such article unless, within the 6-

month period which begins on the date of the sale by the manufacturer (or, if earlier, on the date of shipment by the manufacturer), the manufacturer receives proof that the article has been exported or resold for use in further manufacture.

(c) Manufacturer relieved from liability in certain cases

In the case of any article sold free of tax under this section (other than a sale to which subsection (b) applies), and in the case of any article sold free of tax under section 4053(6), if the manufacturer in good faith accepts a certification by the purchaser that the article will be used in accordance with the applicable provisions of law, no tax shall thereafter be imposed under this chapter in respect of such sale by such manufacturer.

(d) Definitions

For purposes of this section—

(1) Manufacturer

The term “manufacturer” includes a producer or importer of an article, and, in the case of taxes imposed by subchapter C of chapter 31, includes the retailer with respect to the first retail sale.

(2) Export

The term “export” includes shipment to a possession of the United States; and the term “exported” includes shipped to a possession of the United States.

(3) Supplies for vessels or aircraft

The term “supplies for vessels or aircraft” means fuel supplies, ships’ stores, sea stores, or legitimate equipment on vessels of war of the United States or of any foreign nation, vessels employed in the fisheries or in the whaling business, or vessels actually engaged in foreign trade or trade between the Atlantic and Pacific ports of the United States or between the United States and any of its possessions. For purposes of the preceding sentence, the term “vessels” includes civil aircraft employed in foreign trade or trade between the United States and any of its possessions, and the term “vessels of war of the United States or of any foreign nation” includes aircraft owned by the United States or by any foreign nation and constituting a part of the armed forces thereof.

(4) State or local government

The term “State or local government” means any State, any political subdivision thereof, or the District of Columbia.

(5) Nonprofit educational organization

The term “nonprofit educational organization” means an educational organization described in section 170(b)(1)(A)(ii) which is exempt from income tax under section 501(a). The term also includes a school operated as an activity of an organization described in section 501(c)(3) which is exempt from income tax under section 501(a), if such school normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place