

Export Exemption Certificates

Tax on Amount Paid for Transportation of Property by Air (Section 4271 of the Internal Revenue Code)

OMB No. 1545-0685

Check the appropriate box.

Individual Exemption

Blanket Exemption

Taxpayer identification number

Name (shipper or other on whom the tax is imposed)

Address (number and street)

For blanket approval, date of letter granting permission:

City, state, and ZIP code

Property shipped

Commodity

Weight

Name and address of carrier

| Date shipped from point of origin | Point of origin of shipment | Port of exportation | Transportation charges | |
|--------------------------------------|--------------------------------|---------------------|------------------------|-------------|
| | | | Date paid | Amount paid |
| | | | | |

Under penalties of perjury, I declare that the shipment described above is made under a contract, order, or other written evidence of intention to export that was dated earlier than delivery of the shipment to the carrier, and is to be exported to a foreign destination or shipped to a United States possession, and that I will pay the carrier any tax due in case the property is not so exported or shipped. (See **Suspension of Tax Liability** on page 2.)

Signature

Title

Date

General Instructions

Section references are to the Internal Revenue Code.

Changes To Note

You no longer have to consecutively number your exemption certificate(s). However, you must provide proof of exportation to the carrier along with Form 1363. See **Suspension of Tax Liability** below.

Purpose of Form

File Form 1363 with the carrier to suspend the liability for the 6.25% tax on transportation of property by air. The tax is imposed on the amount paid for the transportation of property by air if the transportation begins and ends in the United States. However, if you export property (including shipment to a U.S. possession) by continuous movement, the amount you pay for transportation of property by air is exempt from this tax.

You may use a separate Form 1363 in connection with each payment otherwise subject to tax or, with the permission of the Internal Revenue Service, you may use one Form 1363 as a blanket exemption certificate.

Blanket Exemption

You may use a blanket exemption on Form 1363 if you expect to make payments for numerous export shipments over an indefinite period of time. You must demonstrate that it is not practical to complete a separate Form 1363 for each payment.

Permission to use the blanket exemption should be requested by submitting a letter to Internal Revenue Service, Excise Tax Program, 5000 Ellin Road, Room C9-100 Mail Stop C9-207, Lanham, MD 20706. If permission is granted, you should complete a separate blanket certificate, for each air carrier accepting export shipments.

Permission to use the blanket exemption, if granted, will remain in effect until withdrawn.

Recordkeeping.—You should keep a copy with all shipping papers and file the original with the air carrier on or before payment of the first transportation charge to be covered by the blanket certificate.

The air carrier should keep the original blanket certificate with all records showing payment of the transportation charges.

Each person must keep the blanket certificate for at least 3 years after the last day of the month the final shipment covered by the certificate was made from the point of origin. Shipping and payment records for individual exemption items should be kept at least 3 years after the last day of the month the shipment was made from the point of origin.

Suspension of Tax Liability

Form 1363 as an individual or blanket exemption suspends the liability for payment of the tax for a period of 6 months starting from the date the property is shipped from point of origin. If you or the person liable for the tax does not provide evidence of exportation (see below) to the carrier within this 6-month period, the temporary suspension of the liability for the payment of tax ends. The carrier should then collect the tax from you or the person who paid the transportation charge. If, after collection of the tax, proof of exportation is later received by the carrier, credit or refund of the tax may be obtained under section 6415(a).

Evidence of exportation.—A completed and signed Form 1363 and proof of exportation, or a statement that the documents are available, must be furnished to the carrier by the person liable for the tax. Proof of exportation may consist of:

- A copy of export bill of lading,
- A memorandum from the captain of the vessel, customs official, or a foreign consignee, and/or
- A shipper's export declaration.

If a statement that the documents are available is used, the statement must:

- Certify that the property covered by Form 1363 was exported;
- Identify the available evidence;
- Specify the foreign destination or U.S. possession to which the property was shipped; and,
- Give the address where the evidence is available for inspection.

Specific Instructions

The description of property to be exported should be brief. In the case of a blanket exemption, a general description is sufficient. If you have been granted a blanket exemption, it applies to all products exported even though different products may be exported later. File only one Form 1363 with the carrier.

Check the appropriate box on the form to show if this is a blanket exemption or individual shipment exemption.

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. We need this information to ensure that you are complying with the revenue laws and to allow us to figure and collect the right amount of tax. Internal Revenue Code 4271 authorizes us to request this information. Section 6109 requires filers to provide their social security number or other identifying numbers. The information will be used to suspend your liability for the tax on transportation of property by air.

Generally, tax returns and return information are confidential, as stated in section 6103. However, section 6103 allows or requires the Internal Revenue Service to disclose such information to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their tax laws. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. Failing to provide all of the requested information may forfeit any exemption; providing false or fraudulent information may subject you to penalties.

You do not have to provide information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

The time needed to provide this information will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 2 hr., 52 min.; **Learning about the law or the form**, 12 min.; and **Preparing, copying, assembling, and sending the form to the IRS**, 15 min.

If you have comments concerning the accuracy of this time estimate or suggestions for reducing this burden, we would be happy to hear from you. You can write to the IRS Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. **DO NOT** file this form with this office. Instead, give the original to the carrier and keep a copy for your records.