Predominant Use Utility Studies

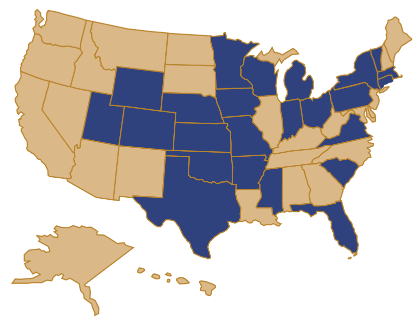
For many manufacturers, processors, and fabricators, sales tax exemptions on the purchase of utilities, such as electricity, natural gas, steam, and water, can provide one of the single largest sources of tax savings in their operations. This tax exemption can result in hundreds of thousands of tax dollars saved annually. To lower your company's utility costs through the reduction or elimination of sales tax, a predominant use or exempt use utility study may be required to support the claim for exemption.

Ryan provides utility exemption studies for companies across a variety of industries to support their claims for sales tax exemptions on the purchases of utilities, such as electricity and natural gas. Utility study detail and certification documentation requirements vary from state to state, but in most cases, the power consumed to operate exempt equipment is considered an exempt use of that power. In many states, meters that measure more than 50% of their power consumed operating exempt equipment generally qualify for a 100% exemption from sales tax. Ryan's knowledge and thorough understanding of all state and local tax laws and compliance requirements will ensure that your company submits an accurate utility exemption claim that substantiates the highest possible exemption percentage achievable.

A utility exemption study can help identify opportunities for tax savings, uncover refund opportunities, and isolate potential areas of exposure, particularly if your company is experiencing any of the following changes:

- Reductions, increases, or changes in business activity that may affect or eliminate an exemption, such as reduced output or number of shifts
- Re-metering or relocating processes within a plant
- Expansion or relocation of facilities
- Changes in utility vendors due to deregulation
- Mergers, acquisitions, bankruptcies, or changes in ownership
- Vendor accounting system changes that may erroneously charge sales tax
- Outsourced utility bill management where billing errors may be overlooked

States that Require Utility Studies



Uncover your company's potential exemption and tax savings by visiting utilitystudy.com and completing the complimentary predominant use analysis.

For more information, please call Julie Cahoon at **512.476.0022**, email **julie.cahoon@ryan.com**, or visit us at **ryan.com**.