

## Definitions of “Product Category” and “Certify a Product Category”

“**Product Category**” means:

- (a) Terms specifically defined in Appendix C, Parts II and III of the SSUTA (i.e., clothing, durable medical equipment, food, drugs, soft drinks, disaster preparedness supplies, etc.);
- (b) Subcategories of terms specifically defined in (a) that may be taxed differently than the product category as a whole. This may vary on a state-by-state basis (i.e., oxygen delivery equipment, kidney dialysis equipment, prewritten computer software delivered electronically, prepared food that requires additional cooking by the consumer, etc.);
- (c) Terms representing groups of like products that do not fall within (a) and (b) (i.e., building materials, furniture, motor vehicles, etc.); and
- (d) Subcategories of (c) that are taxed differently than the product category as a whole. This may vary on a state-by-state basis (i.e., building materials with installation into real property, building materials with installation into tangible personal property).

“**Product category**” does not include:

- (a) Any individual product(s) that properly falls within any product category in a state (i.e., shirts, reusable thermometers, ultrasound machine, bread, Pepsi, tables, chairs, automobile, motorcycle, etc.) unless the individual product is taxed differently than any other products within that product category; or
- (b) “Tangible personal property.”

“**Certify a product category**” means the state has reviewed the product category and determined that the taxability of a product properly included in that product category is consistent with their state’s laws. The state is certifying the taxability is based only on (1) the product-based exemptions that are available in their state and (2) the specific description provided by the seller or certified service provider. Entity-based or use-based exemptions that may apply should only be considered if explicitly stated in the product category description. No entity-based or use-based exemptions shall be included in a product category if the purchaser or seller is required to produce documentation to claim the exemption.