

§ 48.4222(b)-1

(e) *Cross references.* (1) For exceptions to the requirement for registration, see section 4222(b) and § 48.4222(b)-1.

(2) For revocation or suspension of registration, see § 48.4222(c)-1.

(3) For applicability of section 4222 and these regulations to exemptions provided by sections 4063(b), 4182(b), and 4293, see § 48.4222(d)-1

[T.D. 7536, 43 FR 13522, Mar. 31, 1978, as amended by T.D. 8659, 61 FR 10463, Mar. 14, 1996]

§ 48.4222(b)-1 Exceptions to the requirement for registration.

(a) *State and local governments.* The Internal Revenue Service will not register State or local governments under section 4222. To establish the right to sell articles tax free to a State or local government, the manufacturer must obtain the information described in § 48.4221-5(c).

(b) *Sales or resales to foreign purchasers for export.* Persons whose principal place of business is not within the United States may, but are not required to, register in order to purchase articles tax free for export. To establish the right to sell articles tax free for export to a purchaser who is not registered and who is located in a foreign country or a possession of the United States, the manufacturer must obtain the evidence required by paragraph (b) of § 48.4221-3.

(c) *United States.* Except as provided in paragraph (b) of § 48.4222(d)-1 (relating to sales to the American Red Cross) the registration requirements of the regulations in this part do not apply to purchases and sales by the United States or any of its agencies or instrumentalities. The evidence required in support of such tax-free purchases and sales is a notation on the purchase order or other document furnished to the seller clearly indicating that the article or articles are being purchased tax free as authorized by Chapter 32 of the Code.

(d) *Supplies for vessels and aircraft.* An article subject to an excise tax imposed by Chapter 32 of the Code may be sold tax free by the manufacturer under the provisions of § 48.4221-4 for use by the purchaser as supplies for a vessel or aircraft if both the manufacturer and the purchaser are registered under the

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provisions of § 48.4222(a)-1. The article also may, on or after July 1, 1965, be sold tax free for such use even though neither the manufacturer nor the purchaser is so registered if the provisions of paragraph (d) of § 48.4221-4 are satisfied.

[T.D. 7536, 43 FR 13522, Mar. 31, 1978, as amended by T.D. 8659, 61 FR 10463, Mar. 14, 1996; T.D. 8879, 65 FR 17160, Mar. 31, 2000]

§ 48.4222(c)-1 Revocation or suspension of registration.

The district director or the Director of International Operations, as the case may be, is authorized to revoke or temporarily suspend, upon written notice, the registration of any person and the right of such person to sell or purchase articles tax free under section 4221 of the Code in any case in which he finds that (1) the registrant is not a bona fide manufacturer, or a purchaser reselling direct to manufacturers or exporters; (2) the registrant is for some other reason not eligible under these regulations to retain a Certificate of Registry; (3) the registrant has used his registration to avoid the payment of any tax imposed by Chapter 32 of the Code, or to postpone or interfere in any manner with the collection of such tax; (4) such revocation or suspension is necessary to protect the revenue; or (5) the registrant failed to comply with the requirements of paragraph (c) of § 48.4222 (a)-1, relating to the evidence required to support a tax-free sale. The revocation or suspension of registration is in addition to any other penalty that may apply under the law for any act or failure to act.

(Secs. 4222 (72 Stat. 1284; 26 U.S.C. 4222) and 7805 (68A Stat. 917; 26 U.S.C. 7805) of the Internal Revenue Code of 1954; secs. 4051, 4052, 4061 and 7805 of the Internal Revenue Code of 1954 (96 Stat. 2174, 2175 and 2173; 68A Stat. 917; 26 U.S.C. 4051, 4052, 4061, and 7805) and secs. 522 and 523 of the Highway Revenue Act of 1982 (Pub. L. 97-424, 96 Stat. 2185, 2186))

[T.D. 7536, 43 FR 13522, Mar. 31, 1978, as amended by T.D. 7753, 46 FR 2999, Jan. 13, 1981; T.D. 7882, 48 FR 14362, Apr. 4, 1983]

§ 48.4222(d)-1 Registration in the case of certain other exemptions.

The registration procedure set forth in § 48.4222 (a)-1 also applies in the following cases: