

REG-1-095, Molds, Dies, and Patterns

095.01 Sales of molds or dies to a manufacturer for use in manufacturing are exempt from tax.

095.01A The materials necessary to create the mold or die used in manufacturing and any chemicals, solutions, or catalysts utilized in the mold or die process are all included in the exemption.

095.02 Sales of molds, dies, and patterns that do not qualify as manufacturing machinery and equipment are exempt from tax only when all of the following conditions are met:

095.02A The mold, die, or pattern is designed and fabricated to the special order of a customer;

095.02B The mold, die, or pattern is built specifically for the manufacture of a single product; and

095.02C The mold, die, or pattern is used to produce a product which is either injection molded from plastic or stamped from metal.

095.03 A mold or pattern is a form containing a negative impression into which a softened or fluid material is injected to achieve a predetermined shape.

095.04 A die is a tool mounted on a press and consists of a pair, or a combination of pairs, of mating members which shape or cut metal.

095.05 Injection molding is a process whereby a metered quantity of a heated and plasticized material is injected under pressure into a mold and allowed to solidify. The manufacturing processes of rotational molding, extrusion, compression molding, or blow molding do not qualify as injection molding.

095.06 Metal stamping is the process in which metal is shaped by pressing a die or series of dies against the metal. The process can include operations which blank, punch, bend, iron, redress, emboss, flange, trim, or otherwise shape the metal.

095.07 The exemption for molds, dies, and patterns does not include the machinery or equipment to which the molds, dies, or patterns are connected or attached. The exemption does not apply to the purchase of raw materials or individual parts which will be fabricated into a mold, die, or pattern where the fabricator is considered the final consumer of the mold, die, or pattern.

095.08 The exemption applies to charges for modifications made to a qualifying mold, die, or pattern or to any repair or replacement parts of a qualifying mold, die or pattern.

(Section 77-2704.40, R.R.S. 2003. February 22, 2009.)