Questions and Answers Guide:

Alert Notification: **Please be aware that conducting experimental laboratory studies to develop a new technique for a research or classroom activity does not qualify for the sales tax exemption. This is in accordance with S. C. code section 12-36-2120 (56).**

Q1: Researcher/Scientist purchases machine to conduct experimental treatments aimed at finding a cure to prevent cervical cancer in females between the ages of 10-19.

New product name: create new vaccination
Product use: The newly created vaccination product which contains specially engineered hormones will be injected over a six month period in females to potentially prevent cervical cancer.

(**a) Does the creation of a new vaccination qualify for the tax exemption? Yes.**

Q2. A collaborative group of engineers has already determined the use of hydrogen powered fuel cells in small vehicles. Now, the collaborative group of engineers is looking to develop new uses for the hydrogen fuel cell.

(a) Are the engineers aiming to develop a new product? No.
(b) Are the engineers aiming to make improvements to an existing product? Yes.

- **Name existing product**: hydrogen powered fuel cell
- **New or improved use**: Engineer is looking to improve the existing hydrogen powered fuel cell so that it can be used as a replacement for batteries in electronic devices. (2) Researcher is also looking to develop a hydrogen fuel cell alternative to power residential heating, cooling and lighting.

(a) Will improvement to the hydrogen fuel cell for a different use qualify for tax exemption? **Yes.**

Q3. Researcher purchases a solar wiz map to aid in providing information on the resources of the coastal regions in South Carolina. The research will provide information to improve water quality and shrimp farming in S. C.

New product name: None

Product use: The study will be used to provide information on the resources of the coastal regions in South Carolina. The information obtained will be alternative solutions to improve water quality and shrimp farming in S. C.

(a) Does the map purchase qualify for the tax exemption? No.

{The solar wiz map does not qualify for the sales tax exemption because it was purchased to improve/study a technique, coastal waters in S. C}. In sum, a new product was not created nor was improvement made to an existing product.

Q4. The machine purchase is to conduct laboratory experiments to study high resolution measures of the time course of neuronal activity patterns associated with the brain.

New product name: None.

Product use: The study will enable the researcher to compare data from blood-flow images for improved localization activity of the brain.

(a) Does the machine qualify for the sales tax exemption? No.

{the research machine purchase is used to study high resolution measures of the time course on neuronal activity patterns associated with the brain. its function is not intended to create a new product or make improvement to an existing product}.

For questions, please refer them to the University Tax Office at 777-4819.