

## Properly documenting farming related retail sales tax exemptions

To claim this exemption...	Use this document...	For purchases of...	Remember...	For more information, refer to...
Wholesale purchases	<a href="#">Reseller Permit</a> ( <i>Issued by DOR</i> )  OR  <a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Chemical sprays or washes</li> <li>▪ Feed</li> <li>▪ Seed, seedlings</li> <li>▪ Fertilizer</li> <li>▪ Spray materials (pesticides)</li> <li>▪ Agents for enhanced pollination (example – leafcutter bees)</li> <li>▪ Tangible personal property for resale without intervening use</li> </ul>	You must apply to the Department for a reseller permit.	<a href="#">RCW 82.04.050(11)</a> <a href="#">RCW 82.04.060</a> <a href="#">WAC 458-20-10201</a> <a href="#">WAC 458-20-210</a>
Replacement Parts for qualifying Farm Machinery and Equipment	Exemption Certificate for Replacement Parts and/or Services for Farm Machinery and Equipment ( <i>Issued by DOR</i> )	<ul style="list-style-type: none"> <li>▪ Replacement parts for farm machinery and equipment</li> <li>▪ Labor and services to install replacement part</li> <li>▪ Labor and services to repair farm machinery and equipment</li> </ul>	You must apply to the Department for this exemption document.	<a href="#">Special Notice – Repair Parts and/or Services for Farm Machinery and Equipment – Sales and Use Tax Exemptions</a> <a href="#">Special Notice – Replacement Parts for Irrigation Systems and Water Wells</a> <a href="#">RCW 82.08.855</a> <a href="#">Application for Exemption Certificate for replacement parts for farm machinery and equipment</a>
Livestock Nutrient Management Equipment and Facilities	<b>This exemption is unavailable July 1, 2010 through June 30, 2013</b>			
Nonresident Farmers	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Farm machinery, implements</li> <li>▪ Parts for farm machinery and implements</li> <li>▪ Labor and services for repairing farm machinery and implements</li> </ul>	<p>The buyer must immediately transport the equipment outside the state.</p> <p>The seller must examine and record buyer's proof of out of state residency</p>	<a href="#">RCW 82.08.0268</a> <a href="#">WAC 458-20-239</a>
Reducing Agricultural Burning	<b>This exemption ended on December 31, 2010</b>			
Agricultural Employee Housing	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Constructing, repairing, decorating or improving new or existing buildings used for agricultural employee housing</li> <li>▪ Tangible personal property that becomes an ingredient or component of a building or structure used as agricultural employee housing during the course of construction, repairing, decorating or improving</li> </ul>	<p>You must indicate on the certificate if the agricultural employee housing is being built on agricultural land and, if so, provide the parcel number.</p> <p>This exemption does not apply to housing constructed for farmers, farm family members, or persons owning stock or shares in the farm.</p>	<a href="#">RCW 82.08.02745</a> <a href="#">WAC 458-20-262</a> <a href="#">Special Notice – Sales and Use Tax Exemption for Farm Worker Housing</a> <a href="#">Special Notice – Farm Worker Drinking Water</a>

Chicken Farming	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Propane or natural gas used to heat chicken structures;</li> <li>▪ Bedding Materials used to accumulate and facilitate the removal of chicken manure</li> </ul>		<a href="#">RCW 82.08.910</a> <a href="#">RCW 82.08.920</a> <a href="#">WAC 458-20-210</a>
Animal Pharmaceuticals	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Animal pharmaceuticals approved by the FDA or USDA</li> </ul>	The pharmaceuticals must be administered to an animal raised to produce an agricultural product for sale.	<a href="#">RCW 82.08.880</a> <a href="#">WAC 458-20-210</a>
Livestock for Breeding Purposes/ Cattle and dairy cows used to produce an agricultural product	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Livestock registered in a nationally recognized breed association purchased for breeding purposes;</li> <li>▪ Beef and dairy cattle used by a farmer to produce agricultural products</li> </ul>		<a href="#">RCW 82.08.0259</a> <a href="#">WAC 458-20-210</a> <a href="#">RCW 16.36.005,</a>
Diesel, biodiesel or aircraft fuel used by a farmer or horticultural service provider for farmers	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Diesel</li> <li>▪ Biodiesel</li> <li>▪ Aviation fuel</li> </ul>	The exemption does not apply to fuel used to heat space for human habitation, water for human consumption, or transportation on public road.	<a href="#">RCW 82.08.865</a> <a href="#">Special Notice – Farm Fuel Users – Sales and Use Tax Exemption Update</a>

If you use the [Streamlined Sales and Use Tax Agreement Certificate of Exemption](#):

- To document a farm-related exemption, you must complete the form and identify the reason for the exemption claimed.
- If you are claiming the *Farm Machinery and Equipment Replacement Parts Exemption* or the *Livestock Nutrient Management Equipment and Facilities Exemption* you must enter the number from the certificate issued to you by the Department on line H of Section 5. The number is located on the certificate issued by the Department.
- To claim a resale exemption for wholesale purchases, you must provide your reseller permit number.

**Notice to Sellers:** The exemptions on this matrix are for sales tax only; business and occupation (B&O) tax still applies to all sales.

For more information about exemptions for the agricultural industry, go to <http://dor.wa.gov/farmers>.

The information contained in this document is current as of May 1, 2012 and provides general information about the application of agricultural exemptions. It does not cover every requirement or limitation associated with the exemptions identified, nor does it alter or supersede any administrative regulations or rulings issued by the Department. If you have questions, please contact the Department at (800) 647-7706.

Effective May 1, 2012