

## Repeal sales tax exemptions for most agricultural purchases

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**Description** This proposal would repeal retail sales and use tax exemptions for agricultural purchases listed below.

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**Current Law** Many agricultural inputs purchased by farmers are exempt from retail sales and use tax, including:

- Replacement parts and repair services for farm machinery and equipment
- Sprays and fertilizers
- Leased irrigation equipment
- Diesel, biodiesel, and aircraft fuel
- Gas to heat chicken barns
- Purchases at farm auctions

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**Revenue Impact** General Fund Impacts (\$ millions):

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$0	\$71.9	\$71.9

*Notes:*

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
  - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
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**Expenditure Impact**

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
TBD	TBD	TBD

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