Special Notice

NOVEMBER 3, 2010

WASHINGTON STATE DEPARTMENT OF REVENUE

Sales Tax Exemption to Reduce Agricultural Burning Expired 1/1/11

Background
For several years, qualifying farmers have used a Farmers’ Certificate for Wholesale Purchases and Sales Tax Exemptions to purchase specific equipment, or construct hay sheds, without paying sales tax.

Effective January 1, 2011, this exemption expired
Beginning January 1, 2011, sellers must collect and remit retail sales tax on these sales regardless of whether the buyer provides a Farmers’ Certificate for Wholesale Purchases and Sales Tax Exemptions.
For sales to qualify before the exemption expires, the sale and delivery must occur by December 31, 2010.
For the construction of hay sheds, construction services performed prior to January 1, 2011, qualify for the exemption.

Qualified farmer
A qualified farmer is a farmer who has more than fifty percent of his or her tillable acres in cereal grains and/or field and turf grass grown for seed in qualified counties (RCW 82.04.213).

- Cereal grains: wheat, oats, corn, barley, rye, spelt, and triticale.
- Tillable acres: includes fallow acres.

Qualified counties
Qualified counties, where cereal grain production exceeds fifteen thousand (15,000) acres on a yearly basis, are:

<table>
<thead>
<tr>
<th>Adams</th>
<th>Douglas</th>
<th>Klickitat</th>
<th>Walla Walla</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asotin</td>
<td>Franklin</td>
<td>Lincoln</td>
<td>Whatcom</td>
</tr>
<tr>
<td>Benton</td>
<td>Garfield</td>
<td>Spokane</td>
<td>Whitman</td>
</tr>
<tr>
<td>Columbia</td>
<td>Grant</td>
<td>Stevens</td>
<td>Yakima</td>
</tr>
</tbody>
</table>

Qualifying purchases
When purchased by a qualifying farmer, the following equipment is exempt from sales and use tax until December 31, 2010:

- bale handlers
- balers
- chisels
- combine components: chaff spreaders
- combine components: striper headers
- combine components: straw choppers
- cultivators
- discs
- harrows
- minimum-till drills
- mowers
- no-till drills
- power rakes
- shapers
- sprayers
- swathers
- tractors (250/+ hp)
- transplanters
- plows

For more Information
Visit our web page at dor.wa.gov/farmers for valuable information and a link to sign up for an email distribution list to be notified of future changes affecting the agricultural industry. If you have specific questions, call 1-800-647-7706.

P.O. BOX 47478 | OLYMPIA, WASHINGTON 98504-7478 | 1-800-647-7706 | HTTP://DOR.WA.GOV

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