

## Repeal sales tax exemptions for certain agricultural inputs

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

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

- a. Replacement parts and repair services for farm machinery and equipment;
- b. Sprays and fertilizers;
- c. Leased irrigation equipment;
- d. Diesel, biodiesel, and aircraft fuel;
- e. Gas to heat chicken barns; and
- f. Purchases at farm auctions.

**Revenue Impact**

General Fund Impacts (\$ millions):

	# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
10a	3,600	\$ -	\$ 8.3	\$ 8.3	\$ 9.3	\$ 9.6	\$ 19.0
10b	1,700	\$ -	\$ 66.8	\$ 66.8	\$ 76.5	\$ 80.4	\$ 156.9
10c	1,000	\$ -	\$ 2.8	\$ 2.8	\$ 3.1	\$ 3.2	\$ 6.3
10d	140	\$ -	\$ 4.2	\$ 4.2	\$ 4.7	\$ 4.7	\$ 9.4
10e	140	\$ -	\$ 0.2	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.5
10f	1,200	\$ -	\$ 2.8	\$ 2.8	\$ 3.2	\$ 3.3	\$ 6.5

Notes:

- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
- Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.

**Expenditure Impact**

#	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
10a	\$ 9,500	\$ -	\$ 9,500	\$ -	\$ -	\$ -
10b	\$ 9,500	\$ -	\$ 9,500	\$ -	\$ -	\$ -
10c	\$ 9,500	\$ -	\$ 9,500	\$ -	\$ -	\$ -
10d	\$ 9,500	\$ -	\$ 9,500	\$ -	\$ -	\$ -
10e	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ -	\$ -
10f	\$ 9,500	\$ -	\$ 9,500	\$ -	\$ -	\$ -