

# 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> (Issued by DOR)  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> <li>▪ Honey bees for pollination services</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	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<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> <li>▪ Includes machinery and equipment for bee pollination services</li> </ul>	<p>“eligible farmer” includes any person who:</p> <ul style="list-style-type: none"> <li>• Engages in the business of growing, raising, or producing agricultural products for sale or provides bee pollination services and has gross sales of agricultural products, or has a harvested value of at least \$10,000; or</li> <li>• A farmer who has an estimated value at any time during the first full year of at least \$10,000 if the person will not sell or harvest an agricultural product or bee pollination services during the first full tax year in which the person engages in business as a farmer.</li> </ul>	<a href="#">Special Notice – Repair Parts and/or Services for Farm Machinery and Equipment – Sales and Use Tax Exemptions Update</a> <a href="#">RCW 82.08.855</a>
Livestock Nutrient Management Equipment and Facilities	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Qualifying livestock nutrient management equipment</li> <li>▪ Repair and replacement parts for qualifying livestock nutrient management equipment</li> <li>▪ Labor and services for installing, repairing, cleaning, altering, or improving livestock nutrient management equipment</li> <li>▪ Labor and services for repairing, cleaning, altering, or improving qualifying livestock nutrient management facilities</li> <li>▪ Tangible personal property that becomes an ingredient or component of qualifying livestock nutrient management facilities during the repairing, cleaning, altering or improving of these facilities</li> </ul>	<p>To qualify a person must be:</p> <ul style="list-style-type: none"> <li>• A licensed dairy with a certified plan</li> <li>• An AFO that holds a state waste disposal permit.</li> <li>• An AFO that holds an approved plan and qualifies for the replacement parts exemption under RCW 82.08.855.</li> </ul>	<a href="#">RCW 82.08.890</a> <a href="#">Special Notice - Change to the Sale Tax Exemption for Livestock Nutrient Management</a>
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>
Purchases of propane/natural gas to distill mint	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Propane</li> <li>▪ Natural Gas</li> </ul>	The propane or natural gas must be used exclusively to distill Mint	<a href="#">Special Notice – Sales of Propane and Natural Gas to Mint Growers</a>
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</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 for</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>

		construction, repairing, decorating or improving	farmers, family members, or persons owning stock or shares in the farm.	<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> <li>▪ Poultry used in the production or sale of poultry products</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 purpose;</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>
Anaerobic Digester	<a href="#">Farmers' Certificate for Wholesale Purchases and Sales Tax Exemptions</a>	<ul style="list-style-type: none"> <li>▪ Installing, constructing, repairing, cleaning, altering or improving an anaerobic digester.</li> <li>▪ Tangible personal property that becomes an ingredient or component part of an anaerobic digester.</li> </ul>	The anaerobic digester must be used primarily to treat livestock manure.	<a href="#">RCW 82.08.900</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.
- To claim a resale exemption for wholesale purchases, you must provide your reseller permit number (if buyer is required to be registered with the Department of Revenue).

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

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 July 24, 2015 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.