



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

NOVEMBER 3, 2010

Sales Tax Exemption to Reduce Agricultural Burning ExpireX 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 expireX

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:

Adams	Douglas	Klickitat	Walla Walla
Asotin	Franklin	Lincoln	Whatcom
Benton	Garfield	Spokane	Whitman
Columbia	Grant	Stevens	Yakima

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
 - striper headers
 - straw choppers
- cultivators
- discs
- harrows
- minimum-till drills
- mowers
- no-till drills
- plows
- power rakes
- shredders
- sprayers
- swathers
- tractors (250/+ hp)
- transplanters

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](http://DOR.WA.GOV)

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