Reset

KANSAS DEPARTMENT OF REVENUE

# AGRICULTURAL EXEMPTION CERTIFICATE

The undersigned purchaser certifies that the tangible personal property or service purchased from:

Seller: _____
Business Name

Address: _____
Street, RR, or P. O. Box | City | State | Zip + 4

is exempt from Kansas sales and compensating use tax for the following reason (check one box):

- ❑ Ingredient or component part
- ❑ Consumed in production
- ❑ Propane for agricultural use
- ❑ The property purchased is farm or aquaculture machinery or equipment, repair or replacement parts, or labor services on farm or aquaculture machinery or equipment which will be used exclusively in farming, ranching, or aquaculture.
- ❑ Seeds and tree seedlings; fertilizers, insecticides, herbicides, germicides, pesticides, fungicides; and services, purchased and used for the purpose of producing plants in order to prevent soil erosion on land devoted to agricultural use.

**Description of tangible personal property or services purchased:** _____

_____

The undersigned understands and agrees that if the tangible personal property or services are used other than as stated above or for any other purpose that is not exempt from sales or compensating tax, the undersigned purchaser becomes liable for the tax.

Purchaser: _____
Business Name

Address: _____
Street, RR, or P. O. Box | City | State | Zip + 4

Authorized Signature: _____ Date: _____

**THIS CERTIFICATE MUST BE COMPLETED IN ITS ENTIRETY.**

**WHO MAY USE THIS CERTIFICATE?** Farmers, ranchers, feedlots, fisheries, grass farms, nurseries, Christmas tree farms, custom cutters, crop dusters, and others engaged in farming, ranching, aquaculture, or farm and ranch work for hire are entitled to this exemption.

**WHAT PURCHASES ARE EXEMPT?** This certificate contains five separate exemptions. Examples of items or uses that are exempt, and those that are taxable are given for each exemption. In addition to meeting the definition for an "ingredient or component part" or the "consumed in production" exemption, items purchased with this certificate must be used exclusively in agriculture or aquaculture to produce a product for resale — food, fiber, fur, or offspring for such purposes.

**INGREDIENT OR COMPONENT PART:** EXEMPT: Wheat, corn, milo, soybean, and sunflower seed used to produce these crops; feed for beef or dairy cattle, sheep and hogs, ground grain for chickens in a poultry or egg-laying operation; food for aquatic plants and animals (fish); baler twine, baler wire and bale wrap used on hay that will be resold or used in the farmer or rancher's own livestock production operation. TAXABLE: Bedding plants and seeds for a home garden; or food for pets and pleasure animals.

**CONSUMED IN PRODUCTION:** EXEMPT: Insecticides, herbicides, fungicides, fumigants (such as gastoxin), germicides, pesticides, and other such chemicals used on growing agricultural crops for resale or used in the processing or storage of fruit, vegetables, feeds, seeds, and grains; antibiotics, biologicals, pharmaceuticals, vitamins, minerals, and like products which are fed, injected, or otherwise applied to livestock for resale; off-road diesel fuel, oil, and oil additives consumed by farm tractors and combines; LP gas for agricultural use. TAXABLE: Insecticides and the like purchased for use in a home garden; antibiotics, vitamins, etc. purchased for pets or pleasure animals; fuels, oils, and additives for cars, trucks, and ATVs.

**PROPANE FOR AGRICULTURAL USE:** EXEMPT: Propane used to operate farm machinery. TAXABLE: Propane for non-agricultural use, including for barbecue grills, campers, RV equipment and vehicles licensed to operate on public highways.

**FARM OR AQUACULTURE MACHINERY AND EQUIPMENT:** To qualify, the machinery or equipment must be used ONLY in farming, ranching, the operation of the feedlot or nursery, farm or ranch work for hire, or aquaculture. The exemption applies to the rental or purchase of farm or aquaculture machinery and equipment, as well as the parts and labor purchased to repair or maintain the farm or aquaculture machinery and equipment. EXEMPT: Combines, discs, farm tractors, harrows, hay balers, irrigation and milking equipment, planters, plows, tillers, and effective July 1, 2006 work-site utility vehicles (see NOTICE 06-02). TAXABLE: Air compressors and tanks, all terrain vehicles (ATVs), automobiles and trucks, barn ventilators, building and electrical materials, bulldozers, fencing materials and tools, garden hoses, grain bins, hand tools, lawnmowers, silos, water and gas wells, welding equipment, and any equipment that becomes a part of a building, facility, or land improvement.

**SEEDS AND TREE SEEDLINGS:** All components of a shelter belt or wind break planted on ***agricultural land*** are exempt from sales tax. This includes the trees, fertilizers, pest control chemicals, moisture/weed barrier and staples, and above ground irrigation equipment. Furthermore, all services related to the planting or caring of the trees planted on ***agricultural land*** are exempt from sales tax.

**Note**: Additional information is available to farmers, ranchers and the agricultural industry is contained in Publication KS-1550, Kansas Sales and Use Tax for the Agricultural Industry, which may be obtained from the department's web site: www.ksrevenue.org.