

1 H.542
2 Introduced by Committee on Agriculture and Forest Products

3 Date:

4 Subject: Taxation; agriculture; sales and use tax; exemption

5 Statement of purpose of bill as introduced: This bill proposes to exempt the
6 sale of soil amendments, including compost, from the sales and use tax.

7 An act relating to the taxation of soil amendments

8 It is hereby enacted by the General Assembly of the State of Vermont:

9 ~~Sec. 1. 32 V.S.A. § 9701(48) (50) are added to read:~~

10 ~~(48) Compost: means a stable humus-like material produced by the~~
11 ~~controlled biological decomposition of organic matter through active~~
12 ~~management, but does not mean sewage, septage, or materials derived from~~
13 ~~sewage or septage.~~

14 ~~(49) Manipulated animal manure: means manure that is ground,~~
15 ~~pelletized, mechanically dried, or consists of separated solids.~~

16 ~~(50)(A) Soil amendment: means any substance, including compost or~~
17 ~~manipulated animal manure, which is intended to improve the physical,~~
18 ~~chemical, or other characteristics of the soil, horticultural growing media, or~~
19 ~~any natural or synthetic substance applied to plants or seeds that is intended to:~~
20 ~~improve crop production, germination, growth, yield, water retention, product~~

1 ~~quality, reproduction, flavor, or other desirable characteristics of plants;~~
2 ~~provide water filtration; or provide sediment and erosion control.~~

3 ~~(B) "Soil amendment" does not mean commercial fertilizers,~~
4 ~~agricultural liming material, agricultural gypsum, unmanipulated animal~~
5 ~~manure, or pesticides.~~

6 Sec. 2. 32 V.S.A. § 9741 is amended to read:

7 § 9741. SALES NOT COVERED

8 Retail sales and use of the following shall be exempt from the tax on retail
9 sales imposed under section 9771 of this title and the use tax imposed under
10 section 9773 of this title.

11 * * *

12 (49) Sales of soil amendments.

13 Sec. 3. EFFECTIVE DATE

14 ~~This act shall take effect on July 1, 2014.~~

Sec. 1. 32 V.S.A. § 9701(48)–(52) are added to read:

*(48) Compost: means a stable humus-like material produced by the
controlled biological decomposition of organic matter through active
management, but does not mean sewage, septage, or materials derived from
sewage or septage.*

*(49) Manipulated animal manure: means manure that is ground,
pelletized, mechanically dried, or consists of separated solids.*

(50) Perlite: means a lightweight granular material made of volcanic material expanded by heat treatment for use in growing media.

(51) Planting mix: means material that is:

(A) used in the production of plants; and

(B) made substantially from compost, peat moss, or coir and other ingredients that contribute to fertility and porosity, including perlite, vermiculite, and other similar materials.

(52) Vermiculite: means a lightweight mica product expanded by heat treatment for use in growing media.

Sec. 2. 32 V.S.A. § 9741 is amended to read:

§ 9741. SALES NOT COVERED

Retail sales and use of the following shall be exempt from the tax on retail sales imposed under section 9771 of this title and the use tax imposed under section 9773 of this title.

* * *

(49) Clean high carbon bulking agents, as that term is used in the Agency of Natural Resources' Solid Waste Management Rules, used for commercial or on-farm composting, and food residuals used for commercial or on-farm composting or on-farm energy production;

(50) Compost, animal manure, manipulated animal manure, and planting mix when any of these items are sold in bulk. As used in this

subsection, the term “sold in bulk” shall mean sold in a form that is not prepackaged, or sold in a packaged form in volumes greater than one cubic yard.

Sec. 3. STATUTORY PURPOSE

The statutory purpose of the exemptions for composting materials, compost, animal manure, manipulated animal manure, and planting mix in 32 V.S.A. § 9741(49) and (50) is to support the composting industry, and to further the goals of 2012 Acts and Resolves No. 148. The Office of Legislative Council is authorized to place these statutory purposes in the appropriate statutory sections prior to July 1, 2014.

Sec. 4. EFFECTIVE DATE

This act shall take effect on July 1, 2014.