

Issue	Taxable/Exempt	Statute/Reg	Other Considerations
<i>Agriculture Tax Exemption Draft</i>			
Field crops, including corn, wheat, oats, rye, barley, hay, soybeans, legumes, potatoes and dry beans	Exempt	32 V.S.A. § 9741(13)	
Fruits, including apples, peaches, grapes, cherries and berries	Exempt	32 V.S.A. § 9741(13)	
Horticultural specialties, including nursery stock, ornamental shrubs, ornamental trees and flowers	Taxable		
Livestock and livestock products including cattle, sheep, hogs, goats, horses, poultry, ratites, such as ostriches, emus, rheas, and kiwis, farmed deer, farmed buffalo, fur bearing animals, wool bearing animals, such as alpacas and llamas, milk, eggs, and furs	Exempt	32 V.S.A. § 9741(3)	
Lime, Fertilizer, and pesticides	Exempt, with S-3A	32 V.S.A. § 9741(3)	Exempt only if they are used to produce tangible personal property for sale by farms, orchards, nurseries, and greenhouses. Revised S-3A clearly allows multiple purchases of the same product.
Washing, cleaning and sanitizing chemicals	Taxable	Reg. § 1.9741(25)-5(4)	
Liquid nitrogen	Taxable		
Maple syrup	Exempt	32 V.S.A. § 9741(13)	
Maple sap	Exempt	32 V.S.A. § 9741(13)	
Maple syrup production is exempt until you sell product	Exempt	32 V.S.A. § 9741(3)	If the equipment is used directly and exclusively for producing maple syrup for sale, it is exempt. If it is not directly or exclusively used or if it is used to produce maple syrup for personal use, it is taxable.
Raising livestock when used in production farming	Exempt	32 V.S.A. § 9741(13)	

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Grass and forage seed other than lawn seed	Exempt	32 V.S.A. § 9741(3)	Grass seed sold to a turf farmer would be exempt; grass seed blends for foraging are also exempt
Gates, free stalls, panels, fencing and fencing supplies	Taxable ¹	Reg. § 1.9741(25)-4(3)	Currently these are not exempt as machinery or equipment. This will change when the sales and use tax regulations are updated this summer.
Cattle and round bale feeders	Exempt	Reg. § 1.9741(25)4(3)	
Manure spreads including when used to stack manure	Exempt	Reg. § 1.9741(25)-4(1)	While the regulation explicitly states “to foster plant growth,” we don’t believe we would ever strictly interpret that to not mean stacking. Reg. could be edited to include a phrase such as “a piece of machinery or equipment that is otherwise directly and exclusively used in agriculture will still be eligible for the exemption if it is used to transport and stack manure during times of the year in which spreading of manure is illegal.”
Baler twine, silage bags, agricultural wrap, plastic for bunkers	Exempt	32 V.S.A. § 9741(3)	Exempt as an agricultural supply, no exemption certificate needed
Semen, breeding equipment	Exempt	32 V.S.A. § 9741(3)	Exempt as an agricultural supply, no exemption certificate needed
Baby chicks, turkey poults	Exempt	32 V.S.A. § 9741(3)	Exempt as an agricultural supply, no exemption certificate needed
Veterinary supplies	Exempt	32 V.S.A. § 9741(3)	
Bedding	Exempt	32 V.S.A. § 9741(3)	
Milking equipment	Exempt		
Machinery, examples barn cleaners,	Taxable	Reg. §§ 1.9741(25)-	These are considered improvements to real

¹ Reg. § 1.9741(25)-4(3) currently states that gates are not exempt as machinery or equipment. However, the Tax Department has changed its policy on these items and in the summer of 2016 will make that change effective by updating the sales and use tax regulations.

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ventilation and fans, conveyers, dryers, elevators, irrigation systems		5(2), 1.9741(25)-5(4), 1,9741(25)-5(10).	property.
Electrical systems	Taxable	Reg. § 1.9741(25)-5(2)	
Building materials necessary for constructing or repairing	Taxable	Reg. § 1.9741(25)-5(2)	
Greenhouses, components used in soil making, pots to contain seedlings/plants, plastic for covering houses, florist wrap	Mixed		We will be amending the regulations to clarify that florist wrap is exempt.
Diesel, fuel, grease, and oil	Exempt		Electricity and fuel used directly and exclusively for farm purposes are not taxable. Some suppliers may require that Form S-3F is completed if the use is not obvious or if only a portion of the fuel is exempt.
Equipment maintenance supplies	Taxable	32 V.S.A. § 9741(3)	
Watering equipment	Exempt	Reg. § 1.9741(25)-4(1)	
Animal handling equipment	Exempt	Reg. § 1.9741(25)-4(1)	
<i>Items to be Discussed</i>			
Handkerchiefs	Taxable	32 V.S.A. § 9701(25)(E)	Specifically listed as a “clothing accessory.” Clothing accessories are excluded from the clothing exemption in §9741(45).
Footwear clarification		32 V.S.A. § 9701(24)(A)	
Propane taxed to business, non-tax to home owner		32 V.S.A. § 9741(26)	
Wood pellets, taxable to business, non-tax to home owner		32 V.S.A. § 9741(26)	
Delivery charges are taxable	Taxable	32 V.S.A. § 9701(4)(A)(iv)	
S3 Forms			

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Education and Workshops			
Computers	Taxable		
Motor vehicles, trailers, ATVs	Taxable		
NH farmers get taxed for fertilizer if picked up in Vermont, tax exempt if Vermont company spreads			
Christmas trees derived from managed Christmas tree operation whether dug for transplanting or cut from the stump			
Aquaculture products, including fish, fish products, water plants, shellfish and aquaculture equipment			
Apiary products, including honey, beeswax, royal jelly, bee pollen, propolis, packaged bees, nucleus colonies and queens			