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- **MOVE FROM “DIRECT AND EXCLUSIVE” USE (96%) TO
“PREDOMINATE” USE (51%)**
- **INCORPORATES A MORE COMPREHENSIVE DEFINITION OF
FARMING, INCLUDING A FARM RELATED TIMBER
OPERATION, BUT NOT HORSE BOARDING**

Sec. 1. 32 V.S.A. § 9701(54)-(57) are added to read:

(54) “Crops, livestock and livestock products” shall include the

following:

(A) field crops, including corn, wheat, oats, rye, barley, hay, potatoes

and dry beans;

(B) fruits, including apples, peaches, grapes, cherries and berries;

(C) vegetables and herbs;

(D) horticultural specialties, including nursery stock, ornamental

shrubs, ornamental trees and flowers;

(E) 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;

(F) maple sap, maple syrup, and maple sugar products;

1 (G) Christmas trees derived from a managed Christmas tree operation
2 whether dug for transplanting or cut from the stump;

3 (H) aquaculture products, including fish, fish products, water plants
4 and shellfish;

5 (I) apiary products, including honey, beeswax, royal jelly, bee pollen,
6 propolis, package bees, nucs and queens. For the purposes of this paragraph,
7 “nucs” shall mean small honey bee colonies created from larger colonies
8 including the nuc box, which is a smaller version of a beehive, designed to
9 hold up to five frames from an existing colony.

10 (55) “Farming” means agriculture, floriculture, horticulture, aquaculture
11 and silviculture; stock, dairy, poultry, fruit, fur bearing animal, fiber
12 bearing animal, graping, truck and tree farming; ranching; operating nurseries,
13 greenhouses, vineyard trellises or other similar structures used primarily
14 for the raising of agricultural, horticultural, vinicultural, viticultural,
15 floricultural or silvicultural commodities; operating orchards; raising,
16 growing and harvesting crops, livestock and livestock products, and raising,
17 growing and harvesting woodland products as part of a timber operation,
18 including timber, logs, lumber, pulpwood, posts and firewood.

19 (56) “Farm operation” means the land and on-farm buildings, equipment,
20 manure processing and handling facilities, and practices which contribute to
21 the production, preparation and marketing of crops, livestock and livestock

1 products as a commercial enterprise, including a “timber operation” as defined
2 in this section.

3 (57) “Timber operation” means the on-farm production, management,
4 harvesting, processing and marketing of timber grown on the farm operation
5 into woodland products, including logs, lumber, posts and firewood, provided
6 that such farm operation consists of at least seven acres and produces for sale
7 crops, livestock or livestock products of an annual gross sales value of ten
8 thousand dollars or more and that the annual gross sales value of such
9 processed woodland products does not exceed the annual gross sales value of
10 such crops, livestock or livestock products.

11 (58) “Greenhouse supplies” means components used for raising plants
12 for farming, including soil or potting mixes for raising plants, any constituent
13 elements of soil or potting mixes, plant and seed containers, irrigation tools,
14 components, and systems, fertilizers, pesticides, or chemicals used in a
15 greenhouse, and any other specialized equipment used for growing plants in a
16 greenhouse, whether those plants are resold or used on the farm for raising
17 crops.

18 Sec. 2. 32 V.S.A. § 9741(3) is amended to read:

19 § 9741. SALES NOT COVERED

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

4 * * *

5 (3) ~~Agriculture feeds~~ Feeds, seed, plants, baler twine, silage bags,
6 agricultural wrap including bale wrap, sheets of plastic for bunker covers,
7 liming materials, breeding and other livestock, semen breeding fees, baby
8 chicks, turkey poults, ~~agriculture chemicals other than pesticides~~, veterinary
9 supplies, ~~and bedding; and chemicals, fertilizers, and pesticides,~~ and
10 greenhouse supplies for use and consumption ~~directly~~ predominately in the
11 production for sale of tangible personal property ~~on farms, including stock,~~
12 ~~dairy, poultry, fruit and truck farms, orchards, nurseries, or in greenhouses or~~
13 ~~other similar structures used primarily for the raising of agricultural or~~
14 ~~horticultural commodities for sale.~~ by farming. As used in this subsection,
15 “predominately” means more than 50% of the time the item is in use.

16 * * *

17 (25) Sales of agricultural machinery and equipment for use and
18 consumption ~~directly and exclusively, except for isolated or occasional uses, in~~
19 ~~the production for sale of tangible personal property on farms (including stock,~~
20 ~~dairy, poultry, fruit, and truck farms), orchards, nurseries, or in greenhouses or~~
21 ~~other similar structures used primarily for the raising of agricultural or~~

1 ~~horticultural commodities for sale. It shall be rebuttably presumed that uses are~~
2 ~~not isolated or occasional if they total more than four percent of the time the~~
3 ~~machinery or equipment is operated.~~ predominately in a farm operation. As
4 used in this subsection, “predominately” means more than 50 percent of the
5 time the machinery or equipment is in use.

6 Sec. X. EFFECTIVE DATE

7 This act shall take effect on