

1 Introduced by Committee on Agriculture and Forest Products

2 Date:

3 Subject: Taxation; sales and use tax; agricultural exemptions

4 Statement of purpose of bill as introduced: This bill proposes to modify and
5 clarify the current exemptions from the sales and use tax for agricultural
6 supplies, machinery, equipment, and fuels.

7 An act relating to agricultural exemption from Vermont's sales and use tax

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

9 Sec. 1. 32 V.S.A. § 9741 is amended to read:

10 § 9741. SALES NOT COVERED

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

14 * * *

15 (3)(A) Agriculture feeds; seed; plants; baler twine; silage bags;
16 agricultural wrap; sheets of plastic for bunker covers; liming materials;
17 ~~breeding and other livestock, semen breeding fees, replacement livestock,~~
18 semen, liquid nitrogen, and breeding supplies; baby chicks; turkey poults;
19 agriculture chemicals other than pesticides; veterinary supplies; washing,
20 cleaning, and sanitizing supplies; and bedding; ~~and~~

1 farms in order to qualify for a sales and use tax exemption with a requirement
2 that the item be used “predominately” in the production for sale of tangible
3 personal property on farms in order to qualify for an exemption. The changes
4 also remove the requirement that machinery and equipment be used 96 percent
5 of the time for farming purposes in order to be exempt. It is the intention of
6 the General Assembly to clarify that certain agricultural items are exempt from
7 Vermont’s sales and use tax, including items that are used less than 96 percent
8 of the time for farming.

9 Sec. 3. EFFECTIVE DATE

10 This act shall take effect on July 1, 2016.