



STATE OF VERMONT
GENERAL ASSEMBLY
HOUSE COMMITTEE ON AGRICULTURE
AND FOREST PRODUCTS

REP. CAROLYN W. PARTRIDGE, CHAIR
REP. RICHARD LAWRENCE, VICE CHAIR
REP. JOHN L. BARTHOLOMEW, RANKING
MEMBER
REP. DANIEL CONNOR
REP. ALYSON EASTMAN
REP. RODNEY GRAHAM
REP. JOEY PURVIS
REP. HARVEY SMITH
REP. TRISTAN TOLENO
REP. DONALD TURNER
REP. TEO ZAGAR

MEMORANDUM

To: House Committee on Ways and Means
From: House Committee on Agriculture and Forest Products
Date: March 10, 2016
Subject: H.XXX

H.XXX has been referred to your Committee for review.

This bill replaces the requirement that an item be used “directly” or “directly and exclusively” in the production for sale of tangible personal property on farms in order to qualify for a sales and use tax exemption with a requirement that the item be used “predominately” in the production for sale of tangible personal property on farms in order to qualify for an exemption. The changes also remove the requirement that machinery and equipment be used 96 percent of the time for farming purposes in order to be exempt.

It is the intention of the House Committee on Agriculture and Forest Products to clarify that certain agricultural items are exempt from Vermont’s sales and use tax to include items that are used less than 96 percent of the time for farming. The Committee considered changes ranging as low as 75 percent, and would welcome your input on the appropriate percentage.