



1 for the raising of agricultural or horticultural commodities for sale. It shall be  
2 rebuttably presumed that uses are not isolated or occasional if they total more  
3 than four percent of the time the machinery or equipment is operated.

4 \* \* \*

5 (27) Sales of electricity, oil, gas, and other fuels used ~~directly and~~  
6 ~~exclusively~~ either directly or indirectly for farming purposes.

7 Sec. Y. PURPOSE

8 This act broadens the scope of the agricultural exemptions from Vermont’s  
9 sales and use taxes. The act replaces the requirement that an item be used  
10 “directly” or “directly and exclusively” in the production for sale of tangible  
11 personal property on farms in order to qualify for an exemption, to a  
12 requirement that the item be used “directly or indirectly” in the production for  
13 sale of tangible personal property on farms in order to qualify for an  
14 exemption. It is the intention of the General Assembly to broaden the category  
15 of agricultural items that are exempt from Vermont’s sales and use tax to  
16 include items that are necessary to maintaining a farm business in this State,  
17 but that are indirectly related to the production for sale of tangible personal  
18 property. Examples of items that may be indirectly related to the production  
19 for sale of tangible personal property on a farm include the types of items  
20 currently treated as taxable under Tax Department Regulation § 1.9741(25)-5.