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|  | <b>Sales Tax Exemption for<br/>Certain Farm Equipment</b><br>R.S. 47:305.25  |
|   | Taxpayer Services Division<br>P.O. Box 201<br>Baton Rouge, LA 70821-0201<br>(225) 219-7356<br>(225) 231-6236 (Fax) |

Louisiana Revised Statute 47:305.25 provides a sales tax exemption for the purchase of certain farm equipment. The sales tax exemption, which only covers the first \$50,000 of the sales price for each item of farm equipment, applies to the following farm equipment items:

1. Rubber tired farm tractors, cane harvesters, cane loaders, cotton pickers, combines, hay balers, and attachments and sprayers. This exemption includes all attachments and implements that go on a rubber tired tractor.
2. Clippers, cultivators, discs, plows, and spreaders.
3. Irrigation wells, drives, motors, and equipment. Effective July 1, 2007 (see Acts 2007, No. 424)

The exemptions for the following items are suspended by Acts 2004 1<sup>st</sup> Ex. Sess., No.4, effective July 1, 2004, through June 30, 2009.

1. Other farm implements and equipment used for agricultural purposes in the production of food and fiber.
2. On the farm facilities used to dry or store grain or any materials used to construct such on the farm facilities.

#### Sales Tax Exclusion For Manufacturing Machinery or Equipment

Louisiana Revised Statute 47:301(3)(i) and (13)(k) provide a state sales tax exclusion for purchases, sales, and leases or rentals of qualified manufacturing machinery or equipment. R.S. 47:301(3)(i)(ii)(dd) defines "manufacturing for agricultural purposes" to mean the production, processing, and storing of food and fiber and the production, processing, and storing of timber.

Farmers must submit Form R-1070, The Application for Certification as a "Manufacturer," and be approved before the sales tax exclusion can be claimed. After approval, the farmer will be issued a "Manufacturer's Exemption Certificate," Form R-1071, to be presented to their suppliers. Farmers may elect to use either the manufacturing machinery or equipment exclusion or the farm equipment sales tax exemption, or a combination of the two exemptions as described in Revenue Information Bulletin No. 04-012A issued May 18, 2004.

**Please Print or Type**

| Item Purchased                      |                |                |                               |
|-------------------------------------|----------------|----------------|-------------------------------|
| Description of Farm Equipment Items | Purchase Price | Invoice Number | Date of Purchase (mm/dd/yyyy) |
|                                     |                |                |                               |

| Purchaser Information  |      |       |     |
|------------------------|------|-------|-----|
| Name of Farm or Farmer |      |       |     |
| Home Address           | City | State | ZIP |
|                        |      |       |     |
| Mailing Address        | City | State | ZIP |
|                        |      |       |     |
| Telephone Number       |      |       |     |
|                        |      |       |     |

| Name of the Farmer or the Farmer's Authorized Representative completing the exemption certificate |                   |
|---|-------------------|
| Name  | Title             |
|   |                   |
| Signature   | Date (mm/dd/yyyy) |
| X   |                   |

#### Caution to Seller

The seller is responsible for properly administering this sales tax exemption and the seller may be held liable for payment of the sales tax if the exemption certificate is improperly accepted for equipment that clearly does not qualify for exemption under the statute. In addition, parts used in the repair or modification of qualifying equipment are not eligible for the exemption.