

North Carolina Department of Revenue
Post Office Box 25000
Raleigh, North Carolina 27640

AGRICULTURAL CERTIFICATE

Vendor: _____

Vendor's Address: _____

PART I. FARM MACHINERY	
To be executed by farmers and producers in connection with purchases, leases, or rentals of tangible personal property subject to the 1% rate of State sales or use tax. The maximum tax is \$80.00 per article, of machinery.	
_____	_____
Description of Property Purchased, Leased, or Rented	Sales Invoice Number and Invoice Date

PART II. AGRICULTURAL EXEMPTIONS	
To be executed by farmers, producers, and commercial animal farmers for the purchases of the following items that are exempt from sales or use tax:	
<input type="radio"/> SEEDS purchased by farmers for agricultural purposes. G.S. 105-164.13(1) <input type="radio"/> FERTILIZER, LIME, OR LAND PLASTER purchased by farmers for agricultural purposes. G.S. 105-164.13(1) <input type="radio"/> PACKAGING MATERIALS purchased by farmers and producers. G.S. 105-164.13(23)a <input type="radio"/> FEED purchased for animals held or produced for commercial purposes. G.S. 105-164.13(2a)a <input type="radio"/> TANGIBLE PERSONAL PROPERTY purchased by commercial animal farmers or contractors or subcontractors for a commercial animal farmer. G.S. 105-164.13(4c) See Instruction 2 on reverse.	
_____	_____
Description of Property Purchased	Type of Agricultural or Commercial Activity
_____	_____
Type of Animals Held or Produced (For Commercial Animal Farmer Exemption)	Sales Invoice Number and Invoice Date

CERTIFICATION

All farmers, producers, and commercial animal farmers executing this certificate and attesting to the information indicated in Parts I or II must complete the information below.

The undersigned farmer, producer, or commercial animal farmer certifies that the tangible personal property identified above and acquired pursuant to this certificate is subject to the 1% rate of State tax, maximum \$80.00 per article, or is exempt because of the type of property or the purposes for which it is used. If it is determined that the tangible personal property is subsequently used in a manner that renders it subject to sales or use tax or subject to additional sales or use tax, the undersigned agrees to assume liability for the additional tax, plus interest and applicable penalties, and will remit payment directly to the North Carolina Department of Revenue.

Under the provisions of G.S. 105-236(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class I felony. Punishment for this offense may include a fine up to \$25,000. For each misuse of an agricultural certificate by a purchaser, the Secretary must assess against the purchaser an additional tax, as a penalty, of \$250.

Purchaser: _____

Purchaser's Address: _____

_____	_____	_____
Purchaser's Signature	Date	Purchaser's Telephone Number

INSTRUCTIONS

1. **Part I. Farm Machinery** may be completed by a farmer or producer and accepted by a vendor as the authority for applying the 1% rate of State tax, maximum \$80.00 per article, on sales, leases, or rentals of the following:
 - (a) Farm machinery and parts and accessories thereto for use in planting, cultivating, harvesting, or curing farm crops, including nursery or greenhouse stock and products of the forest, or for use in the production of dairy products, poultry, eggs, livestock, fish, or aquatic plants.
 - (b) Bulk tobacco barns and racks and all parts and accessories thereto and similar apparatus used for curing and drying farm produce.
 - (c) Grain, feed, or soybean storage facilities and accessories thereto.
 - (d) Containers for use in the planting, producing, harvesting, curing, marketing, packaging, sale, transporting, or delivery of products when such containers do not go with and become a part of the sale of products.

2. **Part II. Agricultural Exemptions** may be completed by farmers, producers, and commercial animal farmers for purchases as described below:

Seeds - This certificate may be completed by a farmer making purchases for agricultural purposes and accepted by a vendor as the authority to exempt seeds from sales and use tax under the provisions of G.S. 105-164.13(1).

Fertilizer, Lime, and Land Plaster - This certificate may be completed by a farmer making purchases for agricultural purposes and accepted by a vendor as the authority to exempt fertilizer, lime, and land plaster from sales and use tax under the provisions of G.S. 105-164.13(1).

Packaging Materials - This certificate may be completed by a farmer or producer and accepted by a vendor as the authority for exempting from sales and use tax the following:

Wrapping paper, labels, wrapping twine, paper, cloth, plastic bags, cartons, packages and containers, wooden boxes, baskets, coops, barrels, and like articles sold to farmers and producers when such materials are used for packaging, shipment, or delivery of tangible personal property which is sold at wholesale or retail and when such articles constitute a part of the sale of such tangible personal property and are delivered with it to the customer.

Feed - This certificate may be completed by a purchaser of feed and accepted by a vendor as the authority to exempt feed from sales and use tax under the provisions of G.S. 105-164.13(2)a which exempts from sales and use tax sales of feed for animals held or produced for commercial purposes.

Tangible Personal Property purchased by a commercial animal farmer - This certificate may be completed by a commercial animal farmer and by a contractor or subcontractor performing work encompassed in a contract for such farmer and accepted by a vendor in support of the exemption from sales and use tax for sales of the type of property described below. G.S. 105-164.13(4c) exempts from sales and use taxes:

- (a) commercially manufactured facilities to be used for commercial purposes for housing, raising, or feeding animals or for housing equipment necessary for these commercial activities;
- (b) building materials, supplies, fixtures, and equipment that become a part of and are used in the construction, repair, or improvement of an enclosure or a structure specifically designed, constructed, and used for housing, raising, or feeding animals or for housing equipment necessary for one of these commercial activities;
- (c) commercially manufactured equipment, and parts and accessories for the equipment, used in a facility that is exempt from tax under this subdivision or in an enclosure or a structure whose building materials are exempt from tax under this subdivision.

For the purposes of this certificate, the word "**animals**" includes cattle, horses, mules, sheep, swine, chickens, turkeys, fowl, fish, and other livestock. The word "**commercial**" means "held or produced for income or profit." The term does not include the production or possession of animals for one's personal use or consumption or as pets.

3. When a customer makes a qualifying purchase of an item named on this certificate, executes Part I or Part II, and furnishes this certificate to a vendor, the vendor is relieved of the liability for any additional tax that is subsequently determined to be due and the purchaser has assumed liability for the tax. This is not the case if the vendor does not have a properly executed certificate or other evidence to support a full or partial exemption from tax, on file. In the absence of proper documentation, the vendor can be held liable for any additional tax determined to be due on the transaction.
4. Vendors who do not choose to use this certificate must maintain other evidence in writing adequate to support the conclusion that such sales are exempt from tax or subject to the preferential rate of tax in accordance with the provisions of the appropriate statute.
5. This certificate was prepared by the North Carolina Department of Revenue. This certificate is available on the Department's website www.dor.state.nc.us, by contacting the Taxpayer Assistance Division, Post Office Box 25000, Raleigh, North Carolina 27640, by calling (919) 715-0397, or by contacting any of the local offices of the Department of Revenue.