

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2005**

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**HOUSE DRH60264-MB-54 (3/21)**

Short Title: Definition of Farmer for Sales and Use Tax. (Public)

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Sponsors: Representative Starnes.

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Referred to:

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A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE DEFINITION OF FARMER FOR PURPOSES OF  
APPLYING THE SALES AND USE TAX TO PURCHASES MADE BY  
FARMERS.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.3 is amended by adding a new subdivision to  
read:

"(9a) Farmer. – A dairy operator, poultry farmer, egg producer, farmer who  
raises fish or water plants, livestock farmer, crop farmer, nursery  
operator, greenhouse operator, orchardist, lessor of farmland  
responsible for upkeep and maintenance of the farmland, a farmer of  
an aquatic species as defined in G.S. 106-758, and any other person  
coming within the generally accepted definition of the word. Farmer  
does not include a person who merely cultivates a garden for personal  
use."

**SECTION 2.** G.S. 105-164.4A(1) reads as rewritten:

"(1) Farm machinery. – Sales to a farmer of machines and machinery, and  
parts and accessories for these machines and machinery, for use by the  
farmer in the planting, cultivating, harvesting, or curing of farm crops  
or in the production of dairy products, eggs, or animals. ~~A "farmer"  
includes a dairy operator, a poultry farmer, an egg producer, a  
livestock farmer, a farmer of crops, and a farmer of an aquatic species,  
as defined in G.S. 106-758.~~ Items that are exempt from tax under  
G.S. 105-164.13(4c) are not subject to tax under G.S. 105-164.4.

The term 'machines and machinery' as used in this subdivision is  
defined as follows:

1           The term shall include all vehicular implements, designed and sold  
2           for any use defined in this subdivision, which are operated, drawn or  
3           propelled by motor or animal power, but shall not include vehicular  
4           implements which are operated wholly by hand, and shall not include  
5           any motor vehicles required to be registered under Chapter 20 of the  
6           General Statutes.

7           The term shall include all nonvehicular implements and mechanical  
8           devices designed and sold for any use defined in this subdivision,  
9           which have moving parts, or which require the use of any motor or  
10          animal power, fuel, or electricity in their operation but shall not  
11          include nonvehicular implements which have no moving parts and are  
12          operated wholly by hand.

13          The term shall also include metal flues sold for use in curing  
14          tobacco, whether such flues are attached to handfired furnaces or used  
15          in connection with mechanical burners."

16          **SECTION 3.** This act becomes effective October 1, 2005, and applies to  
17          sales made on or after that date.