

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 990
Committee Substitute Favorable 8/23/05

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

(Public)

Sponsors:

Referred to:

March 30, 2005

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE DEFINITION OF FARMER FOR PURPOSES OF
APPLYING THE SALES AND USE TAX EXEMPTION TO ITEMS SOLD TO
FARMERS AND TO EXPAND THE EXEMPTION TO INCLUDE ITEMS SOLD
TO LESSORS OF FARMLAND.

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, livestock
farmer, crop farmer, nursery operator, greenhouse operator, orchardist,
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. 105-164.13(1) and (1a), as amended by Section 33.9 of
S.L. 2005-276, read as rewritten:

"(1) Any of the following items sold to a farmer or to a lessor of farmland
who is responsible for the upkeep and maintenance of farmland for use
by the farmer or by a lessor of farmland or the lessor's lessee 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.~~

- a. Commercial fertilizer, lime, land plaster, plastic mulch, plant
bed covers, potting soil, and seeds.
- b. Farm machinery, attachment and repair parts for farm
machinery, and lubricants applied to farm machinery. The term
'machinery' includes implements that have moving parts or are

1 operated or drawn by an animal. The term does not include
2 implements operated wholly by hand or motor vehicles required
3 to be registered under Chapter 20 of the General Statutes.

4 c. A horse or mule.

5 d. Fuel other than electricity.

6 (1a) A container sold to a farmer, as defined in subdivision (1) of this
7 ~~section~~, section or to a lessor of farmland who is responsible for the
8 upkeep and maintenance of farmland used for a purpose set out in that
9 subdivision or in packaging and transporting the farmer's or lessor's
10 product for sale."

11 **SECTION 3.** This act becomes effective January 1, 2006, and applies to
12 sales made on or after that date.