

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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HOUSE DRH70354-LD-151 (3/20)

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

Sponsors: Representatives Starnes and Hill (Primary Sponsors).

Referred to:

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, Christmas tree farmer, livestock farmer, crop farmer, tree 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) 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 Christmas trees and 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

1 "machinery" includes implements that have moving parts or are
2 operated or drawn by an animal. The term does not include
3 implements operated wholly by hand or motor vehicles required
4 to be registered under Chapter 20 of the General Statutes.

5 c. A horse or mule.

6 d. Fuel other than electricity.

7 (1a) Sales of the following to a farmer, as defined in subdivision (1) of this
8 ~~section~~section or to a lessor of farmland who is responsible for the
9 upkeep and maintenance of farmland:

10 a. A container used for a purpose set out in subdivision (1) of this
11 section or in packaging and transporting the farmer's or lessor's
12 product for sale.

13 b. A grain, feed, or soybean storage facility, and parts and
14 accessories attached to the facility."

15 **SECTION 3.** This act becomes effective January 1, 2008, and applies to
16 sales made on or after that date.