

Texas Agricultural Sales and Use Tax Exemption Certificate

Commercial agricultural producers must use this form to claim exemption from Texas sales and use tax when buying, leasing or renting qualifying agricultural items they will use exclusively on a farm or ranch in the production of agricultural products for sale. Invoices and documentation of the sale of items covered by this certificate must be in the name of the agriculture registrant listed on this certificate.

You cannot use this form to claim exemption from motor vehicle tax when buying motor vehicles, including trailers. To claim motor vehicle tax exemption, you must give a properly completed Texas Motor Vehicle Tax Exemption Certificate for Agricultural and Timber Operations (Form 14-319) to the vehicle's seller or dealer. You must also claim the exemption on the Application for Texas Title (Form 130-U) when titling or registering the vehicle with the local County Tax Assessor-Collector.

This form is **not required** when purchasing the following types of agricultural items:

- · horses, mules and work animals commonly used in agricultural production;
- animal life, the products of which ordinarily constitute food for human consumption, such as cattle, goats, sheep, chickens, turkeys and pigs;
- · feed for farm and ranch animals, including oats, corn, chicken scratch and hay; and
- seeds and annual plants, the products of which are commonly recognized as food for humans or animals (such as corn, oats and soybeans) or are usually only raised to be sold in the regular course of business (such as cotton seed).

All other purchases of agricultural items require this properly completed form to claim a sales tax exemption. See the back of this form for examples of exempt and taxable items.

| Name of retailer |
|---|
| |
| Address (Street and number, P.O. Box or route number) |
| |
| City, State, ZIP code |
| |

Proper use of this certificate

Purchasers - You can only use this certificate for items you purchase for exclusive use on a farm or ranch in an exempt manner. You should be familiar with qualifying items. Any non-agricultural or personal use disqualifies the purchase from exemption. See the back of this form for examples of exempt and taxable items.

Retailers - You can accept this certificate in good faith at the time of sale if it is properly completed with an ag registration number and expiration date. A purchaser purchasing only exempt items under Section 151.316 may issue a blanket exemption certificate for future purchases of these exempt items. Retailers must retain the blanket certificate and then stamp future invoices with, "Exempt agricultural purposes" and have the purchaser sign the invoice. For example, a blanket exemption certificate could be issued for purchases of farm machinery and repair parts and bulk fertilizer.

| Name of Agricultural Registrant | | | | |
|--|---|------------------------------|------|--|
| Address (Street and number, P.O. Box or route number) | | | | |
| City, State, ZIP code | | Phone (Area code and number) | | |
| Agricultural Registrant's Ag number | Print name of Ag Registrant's authorized person signing for this purchase (if different than the Ag Registrant) | | | |
| | | | | |
| This exemption certificate expires on Dec. 31 , 2 0 | | | | |
| | | | | |
| I understand that I am required to keep records to verify eligibility for the exemption(s) claimed and that I will be required to pay sales or use tax on purchases that do not qualify for the exemption(s), in addition to any applicable interest and penalties. | | | | |
| I understand that it is a criminal offense to issue an exemption certificate to the seller for taxable items that I know will be used in a manner that does not qualify for the exemptions found in Tax Code Section 151.316. The offense may range from a Class C misdemeanor to a felony of the second degree. | | | | |
| Purchaser's signature sign here | Purchaser's name | e (print or type) | Date | |

Always Exempt

These items are always exempt and do not require an exemption certificate or an ag/timber number.

- Horses, mules and work animals commonly used in agricultural production;
- Animal life, the products of which ordinarily constitute food for human consumption, such as cattle, goats, sheep, chickens, turkeys and hogs;
- Feed for livestock such as oats, hay, chicken scratch, wild bird seed and deer corn for wild game animals. (pet food is not exempt); and
- Seeds and annual plants, the products of which are commonly recognized as food for humans or animals such as tomatoes, corn, oats, wheat, soybeans or that produces fiber such as cotton.

Exempt

Here are examples of items that are exempt from sales tax when used exclusively on a farm or ranch to produce agricultural products for sale and purchased by a person with a current ag number.

Air tanks Discs Grain handling equipment Rotary hoes Drags Greases, lubricants and oils for Salt stands Augers qualifying farm machinery and Bale transportation equipment **Dryers** Seed cleaners equipment Baler twine **Dusters** Shellers Harrows Baler wrap Egg handling equipment Silo unloaders Head gates **Balers** Ensilage cutters Soilmovers used to grade Hoists farmland Farm machinery and repair or **Binders** Husking machines replacement parts Sorters Branding irons Hydraulic fluid Farm tractors Sowers Brush hogs Hydro-coolers Farm wagons Sprayers Bulk milk coolers Implements of husbandry Farrowing houses (portable Spreaders Bulk milk tanks and crates) Incubators Squeeze chutes Calf weaners and feeders Feed carts Irrigation equipment Stalls Cattle currying and oiling Feed grinders Manure handling equipment Stanchions machines Feeders Manure spreaders Subsoilers Cattle feeders Fertilizer Milking equipment Chain saws used for clearing Telecommunications services fence lines or pruning orchards Fertilizer distributors Mowers (hay and rotary blade) used to navigate farm machinery and equipment* Pesticides Choppers Floats for water troughs Threshing machines Combines Foggers Pickers Conveyors Forage boxes **Planters** Tires for exempt equipment Corn pickers Forage harvesters Poultry feeders Troughs, feed and water Fruit graters Poultry house equipment Corral panels Vacuum coolers Cotton pickers, strippers Fruit harvesters Pruning equipment Vegetable graders Grain binders Crawlers - tractors Rollbar equipment Vegetable washers Crushers Grain bins Rollers Vegetable waxers Cultipackers Grain drills Root vegetable harvesters

Taxable

These items DO NOT qualify for sales and use tax exemption for agricultural production.

- Automotive parts, such as tires, for vehicles licensed for highway use, even if the vehicle has farm plates
- Clothing, including work clothing, safety apparel and shoes
- Computers and computer software used for any purposes other than agricultural production
- · Furniture, home furnishings and housewares
- · Golf carts, dirt bikes, dune buggies and go-carts
- Guns, ammunition, traps and similar items

- Materials used to construct roads or buildings used for shelter, housing, storage or work space (examples include general storage barns, sheds or shelters)
- Motor vehicles and trailers*
- · Pet food
- Taxable services such as nonresidential real property repairs or remodeling, security services, and waste removal

^{*} As of Sept. 1, 2015, telecommunications services used to navigate farm machinery and equipment are exempt.

^{*} See www.comptroller.texas.gov/taxes/ag-timber/.