

KENTUCKY SALES TAX STATE REGULATIONS

TO: Sales and Use Tax Permit Holders

SUBJECT: Sales to Farmers

This circular letter is to assist retailers in applying the sales tax to sales of tangible personal property to farmers. A list of exempt and taxable items is provided. The exempt list assumes a purchase by a farmer who will use the property in an exempt manner provided by law and who is regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business, or in the occupation of raising and feeding livestock or poultry or producing milk for sale. However, property purchased for use in the raising, feeding, boarding, training, etc., of horses is taxable including machinery, attachments and replacements; therefore, repair and replacement parts which may be used partially in an exempt manner. Also, not exempt is property purchased for use in raising catfish, rabbits or llamas.

Revenue Form 51A159, On-Farm Facilities Certificate of Exemption for Materials, Machinery and Equipment, may be executed only for those purchases of tangible personal property (materials, machinery and equipment) which will be incorporated into the **initial** construction of on-farm facilities exempt under the provisions of KRS 139.480. This certificate may be executed (1) by the farmer who purchases the items directly from the retailer or (2) jointly by the farmer and a contractor who is under contract with the farmer and purchases the property to fulfill the terms of the construction contract.

Revenue Form 51A158, Farm Exemption Certificate, must be used to purchase tangible personal property used to repair or renovate an existing on-farm facility or for the purchase of feed/feed additives, water, gasoline, special fuels, liquefied petroleum gas, farm chemicals, etc., for each of these facilities.

The following lists are not intended to be all inclusive. Additional information can be obtained by contacting:

Kentucky Taxpayer Service Centers
Sales and Use Tax Section
Revenue Cabinet
200 Fair Oaks Lane
Frankfort, Kentucky 40620
(502) 564-5170.

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EXEMPT ITEMS

Animal clippers	Livestock or poultry for breeding, raising or dairy production if the products will be sold for human consumption
Bag and block salt labeled and sold as feed for livestock	Log splitter
Bale covers	Lumber to construct or renovate livestock areas
Baler twine/wire used to bind products to be sold	MH-30 and similar products for spraying tobacco
Barbwire	Methyl bromide (gas)
Barn lime, barn paint, barn poles	Milk pump
Branding iron and branding iron heaters	Milk replacer
Bucket rack	Nails
Buckets for feeding	Nonreturnable crates, baskets, sacks for packaging products to be sold
Bush hog	Plastic water pipe
Calf crates	Pond sealers
Calf hutch	Portable hog holding crate
Chain saw and repair parts	Portable oil heater
Coke stoves (tobacco curing equipment only)	Poultry feeders
Corrals	Poultry for breeding or egg production if the products will be sold for human consumption
Dairy feed	Poultry feed if used in raising poultry for sale or in the production of eggs for sale
Dietary supplement when mixed with feed for feeder animals and breeding stock	Protein blocks for livestock, the products of which will be sold as food for human consumption
Electric fence charger	Protein supplements
Farm gates	Roller mills
Farrowing crates	Roofing metal
Feed bunks (portable)	Round bale feeders
Feed tubes	Salt and mineral feeders
Feed for feeder animals and breeding stock	Seed if used to raise products for sale
Feeding hoses, nozzles, and pipelines	Silage covers
Fence wire, planks, posts and staples	Silo covers
Fertilizer used in the production of crops for sale	Stoves
Frost-proof water hydrants	Sweet feed (feed for livestock of the products which will become food for human consumption to be sold by the farmer)
Guttering	Tobacco baler (automatic), presses, setter, twine
Hay for cattle	Tobacco transplant clipping system, heating system, seeding system, and portable fans
Hay (sickle) mower	Tobacco transplant system – portable fans
Hog food	Tractor mounted sprayers
Hydrated lime (building material and disinfectant)	Ventilation and cooling systems
Insect control (electric)	Water tanks
Insecticidal ear tags	Welders for use exclusively in farm machine shop to maintain other farm machinery
Insecticides, fungicides, herbicides, rodenticides and other farm chemicals used in the production of crops for business, or in the raising and feeding of livestock or poultry for sale, the products of which ordinarily constitute food for human consumption	
Insulation	
Livestock creep feeders, chutes, head gates, oilers, waterers	

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TAXABLE ITEMS

Animal health products	Oil (regardless of use)
Antifreeze	Operating tables
Ax	Paper towel for wiping dairy cow's udder
Barn brooms	Pickup truck racks
Barn folks	Plant bed covers
Barn pattern	Posthole diggers (hand operated)
Bird seed	Rabbits and rabbit feed
Bromo gas applicators	Roto-tillers
Bulk milk tank (unless mechanical)	Seed sowers unless mechanically operated
Calcium chloride	Shovels
Chains, snaps and washers	Storage facilities
Charcoal – cistern	Straw
Coke for tobacco curing	Syringe
Copper sulfate	Tobacco baler (hand operated)
Culvert pipe	Tobacco bed fumigation covers
Dog food	Tobacco canvas
Elastrator rings	Tobacco knives, spears and sticks
Field hand rakes	Tobacco transplant system – greenhouse bows, columns, sidewalls, etc.
Field hoes	Tobacco transplant system – plastic for holding water and plastic trays
Grass seed for horse pasture	Tobacco transplant system – ventilation curtains
Grass seed for lawn	Tractor paint
Hand tools	Truck batteries
Hay for horses	Truck tires
Hi lift jack	Veterinary instruments, dehorers, castrators
Horse feed	Veterinary needles
Ladders	Wash tanks (unless mechanical)
Lawn mowers (push and riding)	Weed eater
Livestock chains, rope, identification tags	Work shoes
Livestock oil	Wormer
Medicines, vitamins, etc.	
Mixing kit for bulk milk tank (unless mechanical)	