

## SECTION .1100 - QUALIFYING AND CONDITIONAL FARMERS

### 17 NCAC 07B .1101 FARM MACHINERY: EQUIPMENT: SERVICES

(a) Sales of items, as the term item is defined in G.S. 105-164.3, to farmers or other persons are exempt from tax when all of the following requirements are met:

- (1) the farmer or other person is a qualified or conditional farmer;
- (2) the farmer or other person has a current exemption certificate number;
- (3) the item is listed in G.S. 105-164.13E(a);
- (4) the farmer or other person primarily uses the item in farming operations; and
- (5) the seller complies with the certificate of exemption requirements in G.S. 105-164.28.

(b) Examples of farm machinery, attachment and repair parts for farm machinery, and lubricants applied to farm machinery that are exempt from sales and use tax, pursuant to G.S. 105-164.13E, when purchased by qualifying or conditional farmers and used primarily in farming operations include the following:

- (1) tractors;
- (2) plows;
- (3) harrows;
- (4) cultivators;
- (5) mowers;
- (6) planters;
- (7) corn pickers and snappers;
- (8) manure spreaders;
- (9) manure loaders;
- (10) harvester threshers;
- (11) rotary tillers;
- (12) fertilizer distributors;
- (13) wind-rowers;
- (14) forage blowers;
- (15) stalk cutters;
- (16) seeders;
- (17) grain loaders;
- (18) harvesters;
- (19) cotton pickers;
- (20) rotary hoes;
- (21) corn and hay elevators;
- (22) tobacco curers;
- (23) tobacco flues;
- (24) tobacco trucks or slides;
- (25) wagons;
- (26) non-highway trailers;
- (27) mechanical rakes;
- (28) balers;
- (29) rod weeders;
- (30) combines;
- (31) tobacco transplanters;
- (32) shredders for corn stalks;
- (33) power loader lifts;
- (34) platform carriers;
- (35) portable insecticide sprayers;
- (36) chainsaws;
- (37) motor oils, greases, lubricants, and anti-freeze; and
- (38) hydraulic fluids.

(c) Examples of commercially manufactured equipment, and parts and accessories for equipment, that are exempt from sales and use tax, pursuant to G.S. 105-164.13E, when used, placed, or installed in a commercially manufactured facility, enclosure, or structure for housing, raising, or feeding animals include:

- (1) animal clippers and parts for animal clippers;
- (2) cooling fans;

- (3) egg cooling cabinets for housing, raising, or feeding poultry;
- (4) feed mills;
- (5) mechanical barn cleaners;
- (6) scales; and
- (7) silo unloaders.

(d) Examples of repair, maintenance, and installation services that are exempt from sales and use tax, pursuant to G.S. 105-164.13E, when purchased by a qualifying or conditional farmer include:

- (1) Repair or maintenance of a tractor that is used primarily in farming operations.
- (2) Repair of a roof for a chicken house used for housing, raising, or feeding chickens.
- (3) Repair or maintenance for any of the items listed in Paragraph (b) of this Rule.
- (4) Repair of a fence used for housing, raising, or feeding animals.

(e) Examples of items purchased by a qualifying or conditional farmer from a retailer that are subject to the sales or use tax, pursuant to G.S. 105-164.4, include:

- (1) lawn mowers;
- (2) snow plows;
- (3) oil and fuel storage tanks, mobile or stationery, and their fittings;
- (4) drainage tile;
- (5) paint, cleaning compounds and brushes;
- (6) snap bean graders;
- (7) all-terrain vehicles not used primarily in farming operations;
- (8) tools for maintaining machinery and equipment;
- (9) sickle grinders;
- (10) tobacco balers; and
- (11) ventilators that are part of a building or structure that have no moving parts and are installed in tobacco barns, other than bulk tobacco barns.

(f) The items listed in Paragraphs (a), (b), and (c) of this Rule must be purchased in accordance with G.S. 105-164.13E and G.S. 105-164.28A in order to be exempt from sales and use tax; otherwise, the items purchased are subject to sales and use tax, pursuant to G.S. 105-164.4.

*History Note: Authority G.S. 105-164.3; 105-164.4; 105-164.6; 105-164.13E; 105-164.28; 105-164.28A; 105-262; 105-264; 105-467; 105-468; 105-469; 105-483; 105-498; 105-507.2; 105-509.1; 105-510.1; 105-511.3; 105-537; 105-538; Eff. February 1, 1976; Amended Eff. June 1, 2006; August 1, 1996; April 1, 1995; July 1, 1994; October 1, 1993; June 1, 1992; Readopted Eff. January 1, 2024.*