

Revenue Information Bulletin No. 11-007
March 24, 2011
Sales Taxes

FARMER CERTIFICATION PROCESS

In an effort to improve efficiency and simplify certain processes, the Louisiana Department of Revenue has revised its farmer certification process as described in Revenue Information Bulletin No. 09-034. Act 464 of the Regular Session of the 2009 Louisiana Legislature amended the sales tax exemption for farm equipment authorized by Louisiana Revised Statute 47:305.25 to require farmers and agricultural facilities to be certified by LDR in order to document their eligibility for the exemption. Beginning March 1, 2011, the Louisiana Department of Revenue began certifying eligible farmer or agricultural facilities using the [R-1070 Application for Certification as a Manufacturer](#).

Farmers and agricultural facilities will no longer apply for certification using the R-1085 form which has been discontinued. If the R-1070 application is approved, the farmer or agricultural facility will receive a Manufacturer's Exemption Certificate (R-1071). The exemption certificate will serve as documentation that the applicant has been certified by LDR and is eligible for the exemption under Louisiana Revised Statute 47:305.25. Farmers are no longer be required to present the [Farm Equipment Sales Tax Exemption Certificate \(R-1060\)](#) to their vendors. The personalized Manufacturer Exemption certificate (R-1071) should be presented to vendors in lieu of the state sales tax on purchases of eligible "machinery and equipment". Upon expiration of their Manufacturer's Exemption Certificate, farmers and agricultural facilities must submit a new [Application for Certification as a Manufacturer \(R-1070\) to be re-certified](#).

As a holder of the Manufacturer's Exemption certificate, a farmer will be able to purchase the equipment described in Louisiana R.S. 47:305.25 without the first \$50,000 sales price limitation. Certified manufacturers/farmers can purchase the following classes of equipment without payment of state sales tax:

- Rubber-tired farm tractors, cane harvesters, cane loaders, cotton pickers, combines, hay balers, and attachments and sprayers. This exemption includes all attachments and implements to be used for commercial agricultural purposes with a rubber-tired tractor, including particularly clippers, cultivators, discs, plows, and spreaders.
- Irrigation wells, drives, motors, and equipment.
- Other farm implements and equipment used for agricultural purposes in the production of food and fiber.
- On-the-farm facilities used to dry or store grain or any materials used to construct such on the farm facilities.

Additional information regarding qualifying machinery and equipment purchases may be found in the Louisiana Administrative Code regulation entitled Sales and Use Tax Exclusion for Manufacturing Machinery and Equipment (LAC 61:I:4301).

Dealers may continue to accept LDR-approved Farmer of Agricultural Facility Certifications (R-1085) until the certificate expires. After the expiration of the R-1085 form, applicants must re-apply for certification using the R-1070 form. Dealers are responsible for properly administering this sales tax exemption and may be held liable for payment of the sales tax if the exemption certificate is improperly accepted for equipment that clearly does not qualify for exemption under the statute. Farmers who are purchasing seed, fertilizers, pesticides, animal feed and other farm-related products that are exempt from state sales tax under other Louisiana statutes must continue to use the [R-1007 Commercial Producers of Livestock, Livestock Products and Commercial Growers Purchases](#) exemption certificate to document their exemption from state sales tax.

Interested parties should contact the Special Programs Division at (225) 219-2200 or email to sales.inquiries@la.gov

Cynthia Bridges

Secretary

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