

# Farmer's certificate for wholesale purchases and sales tax exemptions

Effective July 1, 2015 "eligible apiarists" (term defined on page 2) are farmers and may use this form to make tax free purchases of applicable items below.

Marijuana growers and producers cannot use this certificate. Under RCW 82.04.213 marijuana is not an agricultural product therefore persons who grow, raise or produce marijuana are not farmers.

## Type of certificate:

- Single use certificate      A single use certificate must be used each time an exempt item is purchased.
- Blanket certificate      Blanket certificates are valid for as long as the buyer and seller have a recurring relationship. A recurring business relationship means you have at least one sale transaction within a period of 12 months (RCW 82.08.020(7)(c)).

## Wholesale purchases (see page 3 explanations)

1.  Chemical sprays or washes for the post-harvest treatment of fruit.
2.  Feed, seed, seedlings, fertilizer, spray materials (pesticides), or agents for enhanced pollination.
3.  Tangible personal property for resale without intervening use.

## Retail sales tax exemptions (check applicable box) (see page 3 explanations)

1.  Farm equipment purchased by nonresident farmer.  
Place of residence \_\_\_\_\_ Proof of residence \_\_\_\_\_  
Equipment for use in a farming activity (include brand, model, and address of use)  
\_\_\_\_\_
2.  Livestock for breeding purposes/cattle and dairy cows used to produce an agriculture product.  
Animal type \_\_\_\_\_ Registered breed association \_\_\_\_\_  
Animal name or identification number \_\_\_\_\_
3.  Animal pharmaceuticals.
4.  Chicken farming.
  - a.  Propane or natural gas used to heat structures used to house chickens.
  - b.  Bedding materials used to accumulate and facilitate the removal of chicken manure.
  - c.  Poultry used in the production or sale of poultry products.
5.  Purchases of propane or natural gas by farmers to be used exclusively for distilling mint on a farm.  
**(Expired 7/1/2017)**

## Retail sales tax exemptions (continued)

6.  Diesel, biodiesel, or aircraft fuel used by a farmer or a horticultural service provider for farmers.
7.  Agricultural employee housing.  
Items purchased \_\_\_\_\_  
Is the agricultural employee housing being built on agricultural land?     Yes     No  
If yes, please provide parcel number \_\_\_\_\_
8.  Livestock nutrient management equipment and facilities.
9.  Replacement parts and repair services for qualifying farm machinery and equipment.
10.  Anaerobic digesters and repair services.

## Signature

I, the undersigned buyer, qualify to make the purchases indicated above without payment of retail sales or use tax. I understand that I must keep records to verify the exempt nature of the sale. I understand that misuse of this certificate will result in taxes due, applicable interest, and possible penalties.

Account ID (if applicable) \_\_\_\_\_

Type of entity         Individual/sole proprietor     Corporation     LLC/LLP     Partnership  
 Other (explain) \_\_\_\_\_

Name of buyer \_\_\_\_\_

Farm name \_\_\_\_\_

Mailing address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Authorized signature \_\_\_\_\_ Date \_\_\_\_\_

Title \_\_\_\_\_ Phone number \_\_\_\_\_

A seller who accepts this completed certificate is relieved of the responsibility to collect retail sales or use tax unless the seller fraudulently fails to collect the tax or solicits the purchaser to participate in unlawfully claiming the exemption.

The Farmers' certificate for wholesale purchases and sales tax exemption does not expire as long as the buyer and the seller have a "recurring business relationship" which means at least one sale transaction within a period of twelve consecutive months. (RCW 82.08.050) If it has more than 12 months since the last sale transaction the seller must obtain a new (updated) form.

**Seller must retain the original of this certificate for their records.  
Do not send a copy of this certificate to the Department of Revenue**

## Information

### Farmer defined

A “farmer” is any person engaged in the business of growing, raising, or producing, upon the person’s own lands or upon the lands in which the person has a present right of possession, any agricultural product to be sold. It also includes person growing, raising, or producing honey bee products for sales, or providing bee pollination services, by an eligible apiarist. A “farmer” does not include a person growing, raising, or producing such products for the person’s own consumption; a person selling any animal or substance obtained therefrom in connection with the person’s business of operating a stockyard or a slaughter or packaging house; or a person in respect to the business of taking, cultivating, or raising timber.

Reference: RCW 82.04.213 and WAC 458-20-210.

### Eligible apiarist defined

An “eligible apiarist” is a person who owns or keeps one or more bee colonies and who grows, raises, or produces honey bee products for sale at wholesale and is required to register under RCW 15.60.021.

Reference: RCW 82.04.213.

“Agricultural product” means any product of plant cultivation or animal husbandry including, but not limited to: A product of horticulture, grain cultivation, vermiculture, viticulture or aquaculture as defined in RCW 15.85.020; plantation Christmas trees; short-rotation hardwoods as defined in RCW 84.33.035; turf; or any animal including but not limited to an animal that is a private sector cultured aquatic product as defined in RCW 15.85.020, or a bird, or insect, or the substances obtained from such an animal including honey bee products. “Agricultural product” does not include marijuana, useable marijuana, or marijuana-infused products, or animal defined as pet animals under RCW 16.70.020.

“Honey bee products” means queen honey bees, packaged honey bees, honey, pollen, bees wax, propolis, or other substances obtained from honey bees, and does not include manufactured substances or articles.

Reference: RCW 82.04.213.

### Wholesale purchases

**Line 1** applies to purchases of chemical sprays and washes for the post harvest treatment of fruit to prevent scald, fungus, mold, or decay. These are wholesale purchases and are not subject to sales tax.

Reference: RCW 82.04.050(10), 82.04.060, and WAC 458-20-210.

**Line 2** applies to the purchase of feed, seed, fertilizer, spray materials (pesticides), and enhanced pollination agents by farmers and persons who participate in the federal conservation reserve program, the environmental quality incentives program, the wetlands reserve program, and the wildlife habitat incentives program, or their successors administered by the United States Department of Agriculture (USDA). These are wholesale purchases and are not subject to sales tax.

Reference: RCW 82.04.050(09), 82.04.060, and WAC 458-20.210.

**Line 3** applies to purchases of tangible personal property by a farmer for resale without intervening use as a consumer. For example, packing materials purchased by a farmer to contain agricultural products that the farmer will sell. Specifically, the purchase of binder twine for binding bales of hay that the farmer will sell is a wholesale purchase. However, the purchase of binder twine for hay that the farmer will use to feed the farmer’s livestock is a retail sale and subject to retail sales tax. Another example is the purchase of young livestock to raise for sale. Specifically, the purchase of feeder piglets or calves that farmer will raise to sell is a wholesale purchase.

Reference: WAC 458-20-210.

### Retail sales tax exemptions

**Line 1** applies to machinery, implements, repair parts and labor purchased in this state by a nonresident for use in conducting a farming activity outside the state. The equipment must be transported outside the state immediately upon purchase. ***Seller must examine and record buyer’s proof of residency.***

See WAC 458-20-239 for acceptable proof of residency. Reference: RCW 82.08.0268 and WAC 458-20-239.

**Line 2** applies to the purchase of livestock for breeding purposes where the animals are registered in a nationally recognized breed association. Line 2 also applies to the purchase of beef and dairy cattle to be used in producing an agricultural product. "Livestock" is defined in RCW 16.36.005.

Reference: RCW 82.08.0259, 82.12.0261, and WAC 458-20-210.

**Line 3** applies to the purchase of animal pharmaceuticals by farmers to administer to an animal raised to produce an agriculture product for sale. Animal pharmaceuticals must be approved by the United States Food and Drug Administration (FDA) or the USDA.

Reference: RCW 82.08.880 and WAC 458-20-210.

**Line 4a** applies to the purchase of propane or natural gas used to heat structures used to house chickens. The chickens must be raised by a farmer and sold as agricultural products.

Reference: RCW 82.08.910 and WAC 458-20-210.

**Line 4b** applies to the purchase of bedding materials used to accumulate and facilitate the removal of chicken manure. The chickens must be raised by a farmer and sold as agricultural products. "Bedding materials" means wood shavings, straw, sawdust, shredded paper, and other similar materials.

Reference: RCW 82.08.920 and WAC 458-20-210.

**Line 4c** applies to the purchase of poultry for the use in the production for sale of poultry or poultry products.

Reference: RCW 82.08.0267.

**Line 5** applies only to the purchase of propane and natural gas by farmers. The propane or natural gas must be used **exclusively** to distill mint on a farm in order for the purchase to be exempt from sales tax.

Reference: RCW 82.08.220. (Expired 7/1/2017)

**Line 6** applies to the purchase by "farm fuel users" of diesel, biodiesel, or aviation fuel. A "farm fuel user" is a farmer, or a person who provides horticultural services for farmers. The exemption does not apply for fuel used to heat space and water for human habitation.

Reference: RCW 82.08.865.

**Line 7** applies to the purchase by agricultural employers of materials and labor for use in constructing, repairing, decorating, or improving new or existing buildings or other structures that will be used to provide housing to the employer's agricultural employees.

Reference: RCW 82.08.02745 and WAC 458-20-262.

**Line 8** applies to the purchase by eligible businesses of qualifying livestock nutrient management equipment, labor and services used to install, repair, clean, alter or improve such equipment. Also applies to the labor and services rendered in respect to repairing, cleaning, altering, or improving qualifying livestock nutrient management facilities.

Reference: RCW 82.08.890.

**Line 9** applies to the purchase by farmers of replacement parts for qualifying farm machinery and equipment; applies to the labor and services rendered installing such parts. Also applies to labor for qualifying repairs on such equipment.

Reference: RCW 82.08.855.

**Line 10** applies to purchases of anaerobic digesters and services rendered to installing, constructing, repairing, cleaning, altering, or improving an anaerobic digester. Also applies to sales of tangible personal property that becomes an ingredient or component of the anaerobic digester. **Note: The digester must be primarily used to treat manure; however, the buyer does not have to be a farmer to qualify for the exemption.**

Reference: RCW 82.08.900 and 82.12.900.

**Note:** Horticultural services provided to farmers (e.g. applying fertilizer, soil preparation services, cultivation services, harvesting services, clearing land, etc.) are not retail sales and sales tax does not apply. Generally, the service provider will be subject to B&O tax under the Service and Other Activities classification. For more information please see WAC 458-20-209.

For tax assistance or to inquire about the availability of this document in an alternate format, please call (360) 705-6705. Teletype (TTY) users may use the Washington Relay Service by calling 711.