

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 beam 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;
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