

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015

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HOUSE BILL 227
PROPOSED COMMITTEE SUBSTITUTE H227-PCS10351-TQ-11

Short Title: Broaden Sales Tax Exemption for Farmers.

(Public)

Sponsors:

Referred to:

March 16, 2015

1 A BILL TO BE ENTITLED
2 AN ACT TO LOWER THE INCOME REQUIREMENT FOR QUALIFYING FARMERS
3 FOR PURPOSES OF THE SALES TAX EXEMPTION FOR FARMERS.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** G.S. 105-164.13E(a) reads as rewritten:

6 "**§ 105-164.13E. Exemption for farmers.**

7 (a) Exemption. – A qualifying farmer is a person who has an annual gross income for
8 the preceding taxable year of ~~ten-five~~ thousand dollars (~~\$10,000~~)(~~\$5,000~~) or more from farming
9 operations or who has an average annual gross income for the three preceding taxable years of
10 ~~ten-five~~ thousand dollars (~~\$10,000~~)(~~\$5,000~~) or more from farming operations. A qualifying
11 farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer
12 of crops, and a farmer of an aquatic species, as defined in G.S. 106-758. A qualifying farmer
13 may apply to the Secretary for an exemption certificate number under G.S. 105-164.28A. The
14 exemption certificate expires when a person fails to meet the income threshold for three
15 consecutive taxable years or ceases to engage in farming operations.

16 The following tangible personal property, digital property, and services are exempt from
17 sales and use tax if purchased by a qualifying farmer and for use by the farmer in farming
18 operations. For purposes of this section, an item is used by a farmer for farming operations if it
19 is used for the planting, cultivating, harvesting, or curing of farm crops or in the production of
20 dairy products, eggs, or animals:

21 (1) Fuel and electricity that is measured by a separate meter or another separate
22 device and used for a purpose other than preparing food, heating dwellings,
23 and other household purposes.

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25 **SECTION 2.** This act becomes effective July 1, 2015, and applies to exemption
26 certificates issued on or after that date.



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