



Vermont Sales Tax Exemption Certificate
for
**AGRICULTURAL FERTILIZERS, PESTICIDES,
SUPPLIES, MACHINERY & EQUIPMENT**

**FORM
S-3A**

32 V.S.A. § 9741(3) & § 9741(25) and Reg. § 1.9741(3)-1, 1.9741(3)-2, 1.9741 (25) 1-7

To be filed with **SELLER**, not the Department of Taxes.
The seller must retain an exemption certificate for every transaction.

Purchases of machinery and equipment require a certificate for every individual purchase. Multiple purchases of the same agricultural supplies not typically used in agriculture or the same fertilizers and pesticides may use the same certificate by checking the applicable checkbox below.

An exemption certificate that is accepted in good faith by the seller relieves the seller of liability for tax due. An explanation of “good faith” is provided in the instructions for this form.

| | | | | | | |
|--------------|--------------|--|-----------|--|------------------|-----|
| BUYER | Buyer's Name | | Farm Name | | SSN or FEIN | |
| | Address | | | | Telephone Number | |
| | City | | | | State | ZIP |

| | | | | | | |
|---------------|---------------|--|--|-------|-----|--|
| SELLER | Seller's Name | | | | | |
| | Address | | | | | |
| | City | | | State | ZIP | |

AGRICULTURAL MACHINERY & EQUIPMENT (including parts)

Note: You must complete a certificate for each purchase.

| | | | | |
|-----------------------|--|-------------|------|------------|
| ITEM PURCHASED | Item Purchased | | Date | Price |
| | This exemption is based on how the product is used. Please explain exactly how the product will be used. | Description | | Serial No. |
| | | | | |
| | | | | |
| | | | | |

Continue to page 2 for more agricultural exemptions

AGRICULTURAL SUPPLIES NOT TYPICALLY USED IN AGRICULTURE

Please review the instructions for a list of agricultural supplies for which this Exemption is available. Be aware that agricultural supplies that are listed and typically used in agriculture do not require an exemption certificate as they are tax-exempt no matter who purchases the supplies. ***The exemption certificate must be renewed every three years.***

| | | | |
|-----------------------|--|--------------------|--------------|
| ITEM PURCHASED | Item Purchased | | Price |
| | This exemption is based on how the product is used. Please explain exactly how the product will be used. | Description | |
| | | | |
| | | | |

Check this box if applicable. It is anticipated that there will be multiple purchases of this exact product for the same exact use. It will be unnecessary to submit a new exemption certificate for future purchases of this product for this use. I understand that the purchase of other products or the purchase of the same product for a different use will require a separate exemption certificate. ***Note: This certificate must be renewed every 3 years.***

FERTILIZERS & PESTICIDES

Fertilizers and pesticides are only exempt if they are used to produce tangible personal property for sale by farms, orchards, nurseries, and greenhouses.

| | | | |
|-----------------------|--|--------------------|--------------|
| ITEM PURCHASED | Item Purchased | | Price |
| | This exemption is based on how the product is used. Please explain exactly how the product will be used. | Description | |
| | | | |
| | | | |

Check this box if applicable. It is anticipated that there will be multiple purchases of this exact product for the same exact use. It will be unnecessary to submit a new exemption certificate for future purchases of this product for this use. I understand that the purchase of other products or the purchase of the same product for a different use will require a separate exemption certificate. ***Note: This certificate must be renewed every 3 years.***

I have read all instructions.

I certify that the above items will be used directly to produce products for sale on a farm, orchard, nursery, greenhouse, or similar structure. In the case of agricultural machinery and equipment, I certify that this use will constitute at least 96% of the total use.

Signature of Buyer or Authorized Agent

Title

Date

I understand that material misrepresentation of information on this form may result in the tax owed plus interest and 100% penalty.

The completed certificate should be given to the seller who must retain it for at least three years after any exempted sale.

Form S-3A
Rev. 9/15

INSTRUCTIONS

Please see the regulations and the Department of Taxes fact sheet titled "Agricultural Machinery, Equipment & Supplies: Taxable or Tax Exempt?" to learn how each exemption should be applied.

Agricultural Machinery and Equipment

This certificate is used to document exemption from Vermont sales tax for agricultural machinery and equipment for use and consumption directly and exclusively, except for isolated or occasional uses, in the production for sale of tangible personal property on farms, orchards, nurseries, or in greenhouses or other similar structures used primarily for the raising of agricultural or horticultural commodities for sale.

Equipment that is used on a farm for logging, maintenance of land and structures, construction, transportation is subject to tax. Common items that are **not** eligible for this exemption include ATVs, lawn mowers, and snow plowing equipment.

List of Exempt Agricultural Supplies and Fees

- Agriculture feeds
- Agricultural seed
- Plants
- Baler twine
- Silage bags
- Agricultural wrap
- Sheets of plastic for bunker covers
- Liming materials
- Breeding and other livestock
- Semen breeding fees
- Baby chicks
- Turkey poults
- Agriculture chemicals other than pesticides
- Veterinary supplies
- Farm animal bedding, including sand

A supply is not exempt unless it is on the above list. If the supply is typically used in agriculture, it can be purchased by anyone without an exemption certificate. However, this exemption certificate is necessary if the supply is not typically used in agriculture. Items are not typically used for agriculture when they are more commonly used for non-farming activities. Examples include grass seed, flowering plants, and pet food.

Good Faith

Tax applies to sales of these items unless the seller has accepted, in good faith, a fully completed and accurate exemption certificate from the buyer. A seller who has not charged tax in reliance on an exemption certificate accepted in good faith will not be liable for the tax. If the

exemption claim proves to be incorrect, the Department will seek the tax from the buyer but not the seller.

A certificate has been taken in good faith if:

- (a) It contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- (b) The certification is on Form S-3A or a form with substantially identical language.
- (c) The certificate is signed, dated, and complete.
- (d) The property purchased is of a type ordinarily used for the stated purpose or the exempt use is explained.
- (e) The certificate has been received within 90 days after the date of the sale.

Electricity, Oil, Gas, and Other Fuels

Electricity and fuel used directly and exclusively for farm purposes are not taxable. In most cases no exemption certificate is required. Some suppliers may require that Form S-3F is completed if the use is not obvious or if only a portion of the fuel purchased is exempt.

Farms

Farms include enterprises using land and improvements for agricultural production for sale. Agricultural production includes crops such as fruits, vegetables, turf and sod crops, livestock, bees and apiary products, Christmas trees, and maple syrup.

Use of One Certificate for Multiple Purchases

A buyer may use the same certificate for multiple purchases of the same agricultural supplies not typically used in agriculture or the same fertilizers and pesticides. The buyer's use must also be the same.

Every individual tax-exempt transaction must be linked to a specific exemption certificate. Therefore, for instances where a certificate is used for multiple purchases, the seller must indicate on the sales slip which exemption certificate is being used. A seller risks liability for sales tax for transactions that are not clearly linked to a specific exemption certificate.

The exemption certificate must be renewed every three years.

Retention of Certificates by the Seller

Sellers must retain exemption certificates and instructions for at least three years from the date of the last sale covered by the certificate to document why tax was not collected from the buyer.