

Florida Department of Revenue
Tax Information Publication

05A01-03

Dated: June 15, 2005

EXPANSION OF THE EXEMPTION FOR CERTAIN FARM EQUIPMENT

Effective July 1, 2005, the sale, purchase, or rental of qualifying power farm equipment becomes fully exempt from sales tax. The 2005 session of the Florida Legislature passed a law that changes the partial exemption currently allowed for certain self-propelled, power-drawn, or power-driven farm equipment to a full sales tax and discretionary sales surtax exemption. The legislature also amended the exemption to now include certain new or used "power farm equipment."

"Power farm equipment" includes:

moving or stationary equipment that contains within itself the means for its own propulsion or power; and

moving or stationary equipment that is dependent upon an external power source to perform its functions.

The "power farm equipment" must be for exclusive use:

on a farm or in a forest in plowing, planting, cultivating, or harvesting crops or products produced by agricultural industries included in s. 570.02(1), Florida Statutes (F.S.); or

for fire prevention and suppression work for such crops or products.

Examples of qualifying "power farm equipment" include: augers, combines, conveyors, disks, dozers, feeding systems, harrows, hay balers, irrigation motors, mowers, plows, pumps, skidders, and tractors. The exemption now includes generators and power units used for a qualifying exempt purpose.

The exemption will only be allowed when the purchaser furnishes the seller with a written statement certifying that the equipment is purchased for exclusive use on a farm or in a forest in plowing, planting, cultivating, or harvesting crops or products as produced by agricultural industries, or for fire prevention and suppression work with respect to such crops or products. A suggested certificate is attached.

Repairs of power farm equipment and purchases of parts to repair power farm equipment remain subject to sales tax and discretionary sales surtax.

Effective July 1, 2005, the sale, rental or purchase of qualifying "power farm equipment" should be recorded on Line 1, under the category "Exempt Sales" on the applicable sales tax return for the period when the sale occurs. For sales

tax returns filed for the reporting period July 2005 or thereafter, you will no longer need to complete Line 17, "Taxable Sales/Purchases/Rentals of Farm Equipment."

References: House Bill 643 (2005); Sections 212.02(30)-(32) and 212.08(3), Florida Statutes

FOR MORE INFORMATION

This document is intended to alert you to the requirements contained in Florida laws and administrative rules. It does not by its own effect create rights or require compliance.

For forms and other information, visit our Internet site at www.myflorida.com/dor. Or call Taxpayer Services, 8:00 a.m., to 7:00 p.m., ET, Monday through Friday, excluding holidays, at 800-352-3671 or 850-488-6800.

Hearing- or speech-impaired persons should call our TDD at 800-367-8331 or 850-922-1115.

For a detailed written response to your questions, write the Florida Department of Revenue, Taxpayer Services, 1379 Blountstown Highway, Tallahassee, FL 32304-2716.

EXEMPTION CERTIFICATE CERTAIN POWER FARM EQUIPMENT

This is to certify that the power farm equipment identified below, purchased on or after _____ (date) from _____ (Selling Dealer's Business Name) is purchased, leased, licensed, or rented for the following purpose:

() Power farm equipment for exclusive use in the agricultural production of crops or products, as produced by those agricultural industries included in s. 570.02(1), F.S., or

() Power farm equipment for exclusive use in fire prevention and suppression work for such crops or products, as produced by those agricultural industries included in s. 570.02(1), F.S.

POWER FARM EQUIPMENT:

I understand that if I use the equipment for any purpose other than the one stated, then I must pay tax on the purchase or lease price of the taxable item directly to the Department of Revenue. I understand that if I fraudulently issue this certificate to evade the payment of sales tax I will be liable for payment of the sales tax plus a penalty of

200% of the tax and may be subject to conviction of a third degree felony.

The exemption specified by the purchaser may be verified by calling 1-800-352-3671.

Purchaser's Name: _____

Purchaser's Address: _____

Name and Title of Purchaser's Authorized Representative: _____

By: _____

(Signature of Purchaser or Authorized Representative)

Title: _____

(Title - only if purchased by an authorized representative of a business entity)

Date _____