

# Application for Qualifying Farmer Exemption Certificate Number for Qualified Purchases

North Carolina Department of Revenue

Office Use

A "qualifying farmer" is a person who has an annual gross income for the preceding income tax year of ten thousand dollars (\$10,000) or more from farming operations or who has an average annual gross income for the three preceding income tax years of ten thousand dollars (\$10,000) or more from farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg producer, a livestock farmer, a farmer of crops, a farmer of an aquatic species, as defined in N.C. Gen. Stat. § 106-758 and a person who boards horses.

1. If Corporation, Partnership, or LLC enter Federal Employer ID No.: \_\_\_\_\_ If Proprietorship enter Social Security Number: \_\_\_\_\_
2. Type of Ownership:  Proprietorship  Corporation  Partnership  LLC  Other (*Identify*) \_\_\_\_\_
3. Applicant's Legal Name: \_\_\_\_\_
4. Trade Name (*DBA Name*): \_\_\_\_\_
5. Street Address: \_\_\_\_\_  
(*Not P.O. Box Number*)  
Street \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
6. Mailing Address: \_\_\_\_\_  
Street or P.O. Box \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_
7. Enter agricultural exemption certificate number issued to applicant prior to July 1, 2014, if applicable. **1**
8. Applicant engages in the following farming operations. (*Fill in all applicable circles*)  
 Dairy operator  Livestock farmer  
 Poultry farmer  Farmer of crops  
 Egg producer  Farmer of an aquatic species as defined in N.C. Gen. Stat. § 106-758  
 Horse boarding
9. Enter the annual gross income for the preceding income tax year from farming operations or the average annual gross income for the three preceding income tax years from farming operations. Provide gross income documentation (tax returns) with this application in order for the Department to substantiate annual or average gross income from farming operations. Failure to attach documentation will delay processing of the application for a qualifying farmer exemption certificate number.

Preceding Year

Average for Three Preceding Years

or

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
I certify that this application is accurate and complete.

Name (*Print*): \_\_\_\_\_ Title: \_\_\_\_\_

E-mail: \_\_\_\_\_ Phone: \_\_\_\_\_

Mail to: N.C. Department of Revenue, Registration Unit  
P. O. Box 25000, Raleigh, NC 27640-0001

## General Information

- Certain tangible personal property, digital property, and services as listed in N.C. Gen. Stat. § 105-164.13E are exempt from sales and use tax if purchased by a qualifying farmer for use by the farmer in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals.
- Pursuant to N.C. Gen. Stat. § 105-164.28A, the Department may require a person who purchases an item that is exempt from sales and use tax, depending on the status of the purchaser or the intended use of the item, to obtain an exemption certificate number.
- A certificate of exemption bearing the qualifying farmer exemption certificate number issued by the purchaser authorizes a retailer who sells an item to the holder of the qualifying farmer exemption certificate number to not collect tax on the sale. A person who no longer qualifies for a qualifying farmer exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase.
- The qualifying farmer exemption certificate expires when a person fails to meet the “qualifying farmer” income threshold for three consecutive income tax years or ceases to engage in farming operations, whichever comes first. A person who no longer qualifies for a use-based exemption certificate number must notify the Department within 30 days to cancel the exemption certificate number.
- A person who purchases tangible personal property, digital property, and services under an exemption certificate is liable for any tax due and applicable penalties and interest if the Department determines that the person is not eligible for the exemption or the property was not used as intended by the purchaser. In addition, under the provisions of N.C. Gen. Stat. § 105-236(a)(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For misuse of an exemption certificate by a purchaser, the Department must assess against the purchaser a penalty of \$250.00 per N.C. Gen. Stat. § 105-236(a)(5a), for each retailer identified by the Department from which the person made a purchase.
- If you need assistance with completing this application, you may contact the Department at 1-877-252-3052 (toll-free).

## Line by Line Instructions

Line 1 - Corporation, Partnership, or LLC enter Federal Employer Identification Number (FEIN). Proprietorship enter Social Security Number (SSN).

Line 2 - Identify the type of ownership by filling in the proper circle.

Line 3 - Enter the applicant’s legal name for which a qualifying farmer exemption certificate number is being applied for.

Line 4 - Enter the trade name (doing business as name) for which a qualifying farmer exemption certificate number is being applied for, if applicable.

Line 5 - Enter the street address (not P.O. Box number) for the person applying for a qualifying farmer exemption certificate number.

Line 6 - Enter the mailing address to which all correspondence concerning the qualifying farmer exemption certificate number should be mailed by the Department.

Line 7 - Enter the agricultural exemption certificate number issued to the applicant prior to July 1, 2014. If not applicable, leave blank. The agricultural exemption certificate number begins with numeral one followed by five additional numbers.

Line 8 - Select type of farming operation. Fill in all applicable circles.

Line 9 - Enter the annual gross income for the preceding income tax year from farming operations or the average annual gross income for the three preceding income tax years from farming operations. Provide gross income documentation (tax returns) with this application in order for the Department to substantiate annual gross income from farming operations. Gross income documentation includes; for individual filers Schedule F of the Form 1040, U.S. Individual Income Tax Return; for S corporation filers Page 1 and Schedule B, of the Form 1120S, U.S. Income Tax Return for S Corporation; for C corporation filers Page 1 and Schedule K, of the Form 1120, U.S. Corporation Income Tax Return; for partnership filers Page 1 of the Form 1065, U.S. Return of Partnership Income and Schedule F of the Form 1040, U.S. Individual Income Tax Return. Failure to attach documentation will delay processing of the application for a qualifying farmer exemption certificate number.

Sign and date the application. Print your name along with your title, phone number, and e-mail address where you can be reached if the Department has questions about the application. **Mail the application to the NC Department of Revenue, Registration Unit, P.O. Box 25000, Raleigh, NC 27640-0001. Fax Number 919-715-2999.**