



Vermont Sales Tax Exemption Certificate
for

**Agricultural Fertilizers, Pesticides, Supplies,
Machinery & Equipment**

32 V.S.A. §§ 9741(3), 9741(25) and Reg. 1.9741(3), 1.9741(25)

**Form
S-3A**

Note for the **BUYER**: The buyer must read and follow all instructions on page 3 prior to completing and signing.
The buyer must file the certificate with the **seller**, not the Department of Taxes.

Note for the **SELLER**: The seller must retain an exemption certificate for every exempt 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 fertilizer and pesticides may use the same certificate by marking the appropriate checkbox. An exemption certificate that is accepted in good faith by the seller relieves the seller of liability for tax due. More information on multiple purchases and "good faith" can be found in the instructions on page 3 of this form.

BUYER

Buyer's Name	Farm Name (if applicable)	SSN or FEIN
Address		Telephone Number
City	State	ZIP Code

SELLER

Seller's Name		
Address		
City	State	ZIP Code

AGRICULTURAL MACHINERY & EQUIPMENT (including parts)

NOTE: You must complete a certificate for each purchase of machinery or equipment.

This exemption is based on how the product is used. Please explain exactly how the product will be used.

Item Purchased	Serial Number (if applicable)	Date	Price
Describe how the item will be used			

MULTIPLE PURCHASES Check this box if you anticipate multiple purchases of parts for the exempt machinery or equipment listed in this section. You do not have to submit a new exemption certificate for future purchases. However, the purchase of parts for different exempt machinery or equipment requires a separate exemption certificate.

The exemption certificate must be renewed every three years.

(continued on next page)

FORM S-3A Instructions

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Agricultural Fertilizers, Pesticides, Supplies, Machinery & Equipment

General Information

Please print in **BLUE** or **BLACK** ink only.

To learn how each exemption should be applied, please see the Department of Taxes fact sheet titled "Agricultural Machinery, Equipment & Supplies: Taxable or Tax Exempt?" available on the Department's website at www.tax.vermont.gov.

Agricultural Machinery and Equipment

This certificate is used to document exemption from Vermont Sales Tax for agricultural machinery and equipment that is predominantly, meaning 75% or more, used 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.

List of Potentially Exempt Agricultural Supplies

Not all products used for agricultural purposes are exempt. In addition, sometimes an exemption certificate is necessary when purchasing supplies for agricultural use, sometimes it is not. First, the item must be in one of the following categories:

- Agricultural feeds
- Agricultural seed
- Agricultural 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
- Agricultural chemicals other than pesticides
- Veterinary supplies
- Farm animal bedding

If an item does not fall into one of the listed categories, then it is subject to sales tax. If the item is on the above list, then there is a second test: Is the item typically used in agriculture? If the item is typically used in agriculture, then the item is not subject to tax and anyone may purchase the item without an exemption certificate.

However, if the item is on the list above but not typically used in agriculture, then it is only exempt if an exemption certificate is used which provides proof that the item will be used for an agricultural purpose. 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

The buyer must present to the seller an accurate and properly executed exemption certificate for the exempted sale. The responsibility is on the seller to determine if the buyer is submitting the exemption certificate in "good faith." This requires the seller to be familiar with Vermont Sales and Use Tax law and regulations, including exemptions, that apply to the seller's business. When the seller accepts the certificate in good faith, the seller is not liable for collecting and remitting Vermont Sales Tax. An exemption certificate is received at the time of sale in good faith when all of the following conditions are met:

- The certificate contains no statement or entry which the seller knows, or has reason to know, is false or misleading.
- The certification is on an exemption form issued by the Vermont Department of Taxes or a form with substantially identical language.
- The certificate is signed, dated, and complete (all applicable sections and fields completed).
- The property purchased is of a type ordinarily used for the stated purpose, or the exempt use is explained.

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. Form S-3F can be found on our website at www.tax.vermont.gov.

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.

A buyer may also use the same certificate for parts of the exempt machinery or equipment. However, additional implements for the machinery will require a new certificate.

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.

Obtaining the Certificate

The seller must obtain an exemption certificate from the buyer either prior to or at the time of the sale. If the certificate is not available at the time of sale, the seller has 90 days after the sale to obtain a fully executed certificate, accepted in good faith.

Retaining the Certificate

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.
