

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2005

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HOUSE BILL 990

Short Title: Definition of Farmer for Sales and Use Tax.

(Public)

Sponsors: Representatives Starnes; and Faison.

Referred to: Finance.

March 30, 2005

1 A BILL TO BE ENTITLED
2 AN ACT TO CLARIFY THE DEFINITION OF FARMER FOR PURPOSES OF
3 APPLYING THE SALES AND USE TAX TO PURCHASES MADE BY
4 FARMERS.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-164.3 is amended by adding a new subdivision to
7 read:

8 "(9a) Farmer. – A dairy operator, poultry farmer, egg producer, farmer who
9 raises fish or water plants, livestock farmer, crop farmer, nursery
10 operator, greenhouse operator, orchardist, lessor of farmland
11 responsible for upkeep and maintenance of the farmland, a farmer of
12 an aquatic species as defined in G.S. 106-758, and any other person
13 coming within the generally accepted definition of the word. Farmer
14 does not include a person who merely cultivates a garden for personal
15 use."

16 **SECTION 2.** G.S. 105-164.4A(1) reads as rewritten:

17 "(1) Farm machinery. – Sales to a farmer of machines and machinery, and
18 parts and accessories for these machines and machinery, for use by the
19 farmer in the planting, cultivating, harvesting, or curing of farm crops
20 or in the production of dairy products, eggs, or animals. ~~A "farmer"~~
21 ~~includes a dairy operator, a poultry farmer, an egg producer, a~~
22 ~~livestock farmer, a farmer of crops, and a farmer of an aquatic species,~~
23 ~~as defined in G.S. 106-758.~~ Items that are exempt from tax under
24 G.S. 105-164.13(4c) are not subject to tax under G.S. 105-164.4.

25 The term 'machines and machinery' as used in this subdivision is
26 defined as follows:

27 The term shall include all vehicular implements, designed and sold
28 for any use defined in this subdivision, which are operated, drawn or
29 propelled by motor or animal power, but shall not include vehicular

1 implements which are operated wholly by hand, and shall not include
2 any motor vehicles required to be registered under Chapter 20 of the
3 General Statutes.

4 The term shall include all nonvehicular implements and mechanical
5 devices designed and sold for any use defined in this subdivision,
6 which have moving parts, or which require the use of any motor or
7 animal power, fuel, or electricity in their operation but shall not
8 include nonvehicular implements which have no moving parts and are
9 operated wholly by hand.

10 The term shall also include metal flues sold for use in curing
11 tobacco, whether such flues are attached to handfired furnaces or used
12 in connection with mechanical burners."

13 **SECTION 3.** This act becomes effective October 1, 2005, and applies to
14 sales made on or after that date.