

## Extension Notes

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AGRICULTURE & NATURAL RESOURCES

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### **Reminder - New Agriculture Tax Exemption Law In Effect Now**

The new Kentucky law that requires farmers to have an Agriculture Exemption Number to make qualified farm sales tax exempt purchases went into effect on January 1st. Businesses are now required by law to collect the new agriculture exemption number from farmers. Each farmer must have their own unique number.

Farmers who have not already received their new agriculture exemption number can download the application Form 51A800 from the Department of Revenue (DOR) website at [https://revenue.ky.gov/Forms/51A800%20\(4-21\)\\_fill-in.pdf](https://revenue.ky.gov/Forms/51A800%20(4-21)_fill-in.pdf) or pick up a copy at the Carter County Extension Office. Forms need to be mailed or emailed to the DOR at the address indicated on backside of the form. Currently, it is taking DOR about 2-4 weeks to process applications. To help speed up the process make sure your handwriting is legible and one of the verification items listed below is included with your application.

The application requires verification of agricultural activity. Any one of the following documents may be submitted with the application:

- IRS Schedule F, Profit or Loss from Farming
- IRS Form 4835, Farm Rental Income and Expenses
- Farm Service Agency number
- Other type of verification

Once approved, the DOR will issue an Agriculture Exemption Number by letter. The number must be renewed every three years.

The Agriculture Exemption Number does not exempt purchases from sales tax. It must be used with [Form 51A158](#) Farm Exemption Certificate for farm purchases and machinery, and with [Form 51A159](#) Certificate of Exemption for Materials, Machinery and Equipment for construction of farm facilities. These certificates must be presented to each vendor or supplier along with the DOR letter.

Exempt items are not changing from past years and Forms 51A158 and 51A159 both list specific items that qualify for exemption from sales tax on purchases of farm-related items. For more detail on exempt purchases see Kentucky Revised Statutes (KRS) [139.480](#).

[KRS 139.481](#) was passed in the 2020 legislative session. It is intended to improve the way farmers register tax exemption on sales of qualified purchases with vendors and suppliers.

For more information, farmers may contact the Division of Sales and Use Tax at (502)564-5170, option 1, or at [DOR.Webresponsesalestax@ky.gov](mailto:DOR.Webresponsesalestax@ky.gov).

For more information about agricultural sales tax exemptions, contact the Carter County office of the University of Kentucky Cooperative Extension Service. Educational programs of the Cooperative Extension Service serve all people regardless of economic or social status and will not discriminate on the basis of race, color, ethnic origin, national origin, creed, religion, political belief, sex, sexual orientation, gender identity,

gender expressions, pregnancy, marital status, genetic information, age, veteran status, or physical or mental disability.

**Upcoming Events:**

- **Beef Quality Care & Assurance Training** – January 19<sup>th</sup> @ 6:00 PM – Call 474-6686 to register.
- **Northeast Area Livestock Association Meeting** – January 24<sup>th</sup> @ 6:00 – Speaker: Tyler Wells, AW Meathouse
- **Rootstock** - Now is the time to order pear and M7A apple rootstock for spring grafting. All rootstock is \$2.00 each. This program enables small fruit producers to group orders and purchase the rootstock at a cheaper price. Grafting demo sessions will be held to help those who order learn to graft their own rootstock. Grafting tools will also be available for checkout for those that order. Orders will be taken until February 1<sup>st</sup> or until sold out. Call 474-6686 to place your order. Checks can be made payable to the Carter County Agriculture Council and mailed to the Extension Office.
- **Berry Plants** – The Extension Office is also accepting orders through February 27<sup>th</sup> for strawberry, raspberry, and blackberry plants. Call 474-6686 to request an order form.