

SUT-144- Agricultural Exemption - Exempt Utilities, Energy Fuels

This article is for informational purposes only.

Electricity, natural gas, liquefied gas, coal, and wood used directly in the production of food and fiber for human or animal consumption or to aid in the growing of horticultural products for sale, is exempt from sales tax when purchased by farmers, timber harvesters, and nursery operators upon presentation of their agricultural exemption certificate to the supplier. Utilities or energy fuel purchased for other uses do not qualify for the exemption.

For example, electricity, natural gas, or other energy fuels that are used to heat barns or pens or to provide electricity for lights or other electrical needs on the farm or nursery, are exempt from sales and use tax to the extent they are used directly in the production of food or fiber for human or animal consumption or to aid in the growing of horticultural products for sale by a qualified farmer or nursery operator.