

## **SUT-94 - Agricultural Exemption - Qualifications**

***This article is for informational purposes only.***

Farmers must complete the Application for Agricultural Sales and Use Tax Certificate of Exemption to receive an agricultural exemption. To qualify, farmers, timber harvesters, and nursery operators must meet one or more of the following criteria:

- Be the owner or lessee of agricultural land from which \$1,000 or more of agricultural products were produced and sold during the year, including payments from government sources;
- Be engaged in the business of providing for-hire custom agricultural services of plowing, planting, harvesting, growing, raising, or processing agricultural products or the maintenance of agricultural land;
- Be the owner of land that qualifies for taxation under the provisions of the Agricultural Forest and Open Space Land Act of 1976;
- Be able to provide a copy of the applicant's federal income tax return that contains one or more of the following:
  - Business activity on IRS schedule F (Profit or Loss From Farming), or
  - Farm rental activity on IRS for 4835 (Farm Rental Income and Expenses) or schedule E (Supplemental Income and Loss); or
- The applicant establishes to the satisfaction of the commissioner that the applicant is actively engaged in the business of raising, harvesting, or otherwise producing agricultural commodities.

Qualified applicants will be issued the Agricultural Sales and Use Tax Certificate of Exemption which includes their assigned exemption number. The exemption certificate must be renewed every four years.

Reference: Tenn. Code Ann. § 67-6-207.