

### **SUT-97 - Agricultural Exemption - Sod Seeds and Seedlings**

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

The sales tax exemption for seeds and seedlings is for seeds and seedlings from which plants will be grown to produce food or fiber for human or animal consumption. Although sod is an agricultural product exempt from sales tax when sold by the grower or producer, sod is not normally grown to produce food for consumption by humans or animals.

A nursery operator or sod farm can register for a Tennessee sales and use tax account and obtain a Tennessee certificate of resale that can be used to purchase tax exempt such seed or seedlings as ingredients or components of an agricultural product to be sold to others. The nursery operator or sod farm, when completing the Tennessee sales and use tax return for the applicable tax period, will report sod sales as gross sales on Line 1 of the return and exempt these transactions by also reporting them on Schedule A, Line 6.

References: Tenn. Code Ann. §§ 67-6-207 and 67-6-301.