



TENNESSEE DEPARTMENT OF REVENUE
Application for Agricultural
Sales and Use Tax Exemption

1. Entity Name _____ FEIN/SSN/SOS# _____

2. Mailing Address _____
Street City State ZIP Code

3. Entity Phone No. _____ Email Address _____

4. Farm Location _____
Street City County

5. Entity Contact _____
Name Email Address

6. Type of Entity Farmer Timber Harvester Nursery Operator

7. Type of Ownership

- a. Partnership d. Sole Proprietorship g. Marital Joint Ownership *(must provide SSN for joint owners)*
- b. Professional LLC e. Limited Partnership h. Limited Liability Company
- c. S Corporation f. Other Professional Corporation i. Corporation

8. Applicant must meet at least one of the following criteria to qualify for the agricultural exemption. Check all that apply. **You must submit proper documentation with the application (see instructions).**

- a. The owner or lessee of agricultural land from which \$1,500 or more of agricultural products were produced and sold during the year, including payments from government sources.
- b. In the business of providing for-hire custom agricultural services for the plowing, planting, harvesting, growing, raising, or processing of agricultural products or for the maintenance of agricultural land.
- c. The owner of land that qualifies for taxation under the provisions of the Agricultural Forest and Open Space Land Act of 1976 (Tenn. Code Ann. § 67-5-1001 *et seq.*).
- d. Have a federal income tax return that contains one or more of the following:
 - i. Business activity on IRS Schedule F (Profit or Loss from Farming)
 - ii. Farm rental activity on IRS Form 4835 (Farm Rental Income and Expenses) or Schedule E (Supplemental Income and Loss)
- e. Otherwise establish to the satisfaction of the Commissioner of Revenue that you are actively engaged in the business of raising, harvesting, or otherwise producing agricultural commodities as defined in Tenn. Code Ann. § 67-6-301 (c)(2).

Affidavit of Applicant

Under penalties of perjury, I declare to the best of my knowledge this information is true and correct. I understand any authority given from this application is limited to purchases of tangible personal property used primarily in agricultural operations as authorized in Tenn Code Ann. § 67-6-207. The use of this authority for purposes other than those authorized by law may result in the assessment of additional taxes, penalties, and interest.

Print Name _____ Title _____

Signature _____ Date _____

Please mail application and attachments to:
 Tennessee Department of Revenue
 Taxpayer Services Division
 500 Deaderick Street
 Nashville, TN 37242

Tenn. Code Ann. § 67-6-207 provides a sales and use tax exemption to “qualified farmers and nursery operators” for the purchase of tangible personal property used **primarily (more than 50%)** in agricultural operations. Please see the Department’s tax manual for additional information about the types of property that qualify for the exemption. A qualified farmer or nursery operator is someone who:

- 1) is the owner or lessee of agricultural land from which \$1,500 or more of agricultural products were produced and sold during the year, including payments from government sources,
- 2) is in the business of providing for-hire custom agricultural services for the plowing, planting, harvesting, growing, raising, or processing of agricultural products or for the maintenance of agricultural land,
- 3) is the owner of land that qualifies for taxation under the provisions of the Agricultural Forest and Open Space Land Act of 1976,
- 4) has a federal income tax return that contains business activity on IRS Schedule F, farm rental activity on IRS Form 4835, and/or farm rental activity on IRS Schedule E, or
- 5) can otherwise establish to the satisfaction of the Commissioner that he/she is actively engaged in the business of raising, harvesting, or otherwise producing agricultural commodities as defined in Tenn. Code Ann. § 67-6-301(c)(2).

A qualified farmer, timber harvester, or nursery operator must apply for and receive an Agricultural Sales and Use Tax Certificate of Exemption before making tax-exempt purchases. Applicants must complete this form in its entirety and mail it and all requested information to the Department of Revenue at the address on the front page. If the application is approved, the Department will issue the applicant an Agricultural Sales and Use Tax Certificate of Exemption. The Department reissues the Agricultural Sales and Use Tax Certificate of Exemption every four years.

When purchasing tangible personal property used primarily in agriculture operations tax-exempt, purchasers must present to the seller a copy of their Agricultural Sales and Use Tax Certificate of Exemption, a copy of the exemption card included with certificate, or a fully completed Streamlined Sales Tax Certificate of Exemption that includes the agriculture exemption number issued by the Department.

Instructions:

- 1) - 5) Business information.
- 6) Indicate the type of entity.
- 7) Indicate the type of legal ownership of the entity.
- 8) You must meet at least one of the listed criteria in order to qualify for the exemption. Indicate which criteria are met. You must submit with this application the following supporting documentation depending on the criteria that is selected.
 - a) Proof of government payments and/or copies of tax returns reflecting income information.
 - b) Copies of Form 1099.
 - c) A copy of the qualification of the land under the Agricultural Forest and Open Space Land Act.
 - d)(i) A copy of Schedule F.
 - d)(ii) A copy of Form 4835 or Schedule E, whichever is applicable.
 - e) A detailed statement of why you qualify for the agricultural exemption. If you have recently begun agricultural operations or have just acquired your land, you should also submit a business plan that includes the following information:
 - Date the land was acquired.
 - Number of acres under cultivation and/or breed and number of livestock being raised.
 - Projected date of first sale of agricultural product and projected income.
 - Marketing plan (how will you sell your agricultural product?).