

CHAPTER 38

(SB 148)

AN ACT relating to the registration of farmers for sales and use tax exemption purposes.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. A NEW SECTION OF KRS CHAPTER 139 IS CREATED TO READ AS FOLLOWS:

- (1) *On and after January 1, 2022, every person claiming an exemption provided under KRS 139.480(4) to (9), KRS 139.480(11), KRS 139.480(13) to (15), and KRS 139.480(23) to (30) shall include on the appropriate exemption certificate an agriculture exemption number issued by the department.*
- (2) *A person is eligible to apply for an agriculture exemption number if the person is:*
 - (a) *Regularly engaged in the occupation of tilling and cultivating the soil for the production of crops as a business;*
 - (b) *Regularly engaged in the occupation of raising and feeding livestock of a kind the products of which ordinarily constitute food for human consumption;*
 - (c) *Raising and feeding poultry;*
 - (d) *Producing milk for sale; or*
 - (e) *Regularly engaged in raising ratite birds, llamas, alpacas, buffalos, cervids, or aquatic organisms as an agricultural pursuit.*
- (3) (a) *On and after January 1, 2022, persons that receive an agriculture exemption number and choose to claim the exemptions outlined in subsection (1) of this section shall, at least one (1) time, provide the seller or retailer from whom they purchase exempt tangible personal property with one (1) of the following:*
 1. *A fully completed exemption certificate, as prescribed by the department, which shall contain the agriculture exemption number issued by the department; or*
 2. *A fully completed Streamlined Sales Tax Certificate of Exemption which shall include the agriculture exemption number.*

(b) *A purchaser that has met the requirements of paragraph (a) of this subsection may issue the agriculture exemption number to the seller or retailer for subsequent purchases as evidence of an exempt purchase for as long as the agriculture exemption number is valid.*

(c) *Persons that meet the requirements of subsection (2) of this section but have not yet received an agriculture exemption number from the department prior to January 1, 2022, may issue a fully completed exemption certificate without the agriculture exemption number prior to July 1, 2022.*
- (4) (a) *On or before April 1, 2021, the department, by administrative regulation, shall develop an application form for the agriculture exemption number and procedures by which the application form may also be submitted either electronically or by paper filing no later than January 1, 2022.*
- (b) *The application shall include:*
 1. *The person's name and mailing address;*
 2. *The farm address, if different from the person's mailing address;*
 3. *An affirmation that the person meets at least one (1) of the criteria outlined in subsection (2) of this section;*
 4. *The person's driver's license number; and*
 5. *One (1) of the following forms of documentation:*
 - a. *IRS Schedule F, Profit or Loss from Farming;*
 - b. *IRS Form 4835, Farm Rental Income and Expenses;*

