

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

FILED SENATE  
Mar 29, 2021  
S.B. 388  
PRINCIPAL CLERK

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SENATE BILL DRS15170-MCf-146

Short Title: Qualifying Farmer Zoo Sales Tax Exemption. (Public)

Sponsors: Senators Sawyer and B. Jackson (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED  
2 AN ACT TO EXPAND THE EXEMPTION FOR FARMERS TO INCLUDE CERTAIN SALES  
3 BY A QUALIFYING FARMER FOR A ZOO.

4 The General Assembly of North Carolina enacts:

5 SECTION 1. G.S. 105-164.13E reads as rewritten:

6 "§ 105-164.13E. Exemption for farmers.

7 (a) Exemption. – A qualifying farmer is a person who has an annual income from farming  
8 operations for the preceding taxable year of ten thousand dollars (\$10,000) or more or who has  
9 an average annual income from farming operations for the three preceding taxable years of ten  
10 thousand dollars (\$10,000) or more. For purposes of this section, the term "income from farming  
11 operations" means sales plus any other amounts treated as gross income under the Code from  
12 farming operations. A qualifying farmer includes a dairy operator, a poultry farmer, an egg  
13 producer, and a livestock farmer, a farmer of crops, a farmer of an aquatic species, as defined in  
14 G.S. 106-758, and a person who boards horses. A qualifying farmer may apply to the Secretary  
15 for an exemption certificate number under G.S. 105-164.28A. The exemption certificate expires  
16 when a person fails to meet the income threshold for three consecutive taxable years or ceases to  
17 engage in farming operations, whichever comes first.

18 Except as otherwise provided in this section, the items exempt under this section must be  
19 purchased by a qualifying farmer or conditional farmer and used by the qualifying or conditional  
20 farmer primarily in farming ~~operations~~ operations or zoo operations. For purposes of this section,  
21 (i) an item is used by a farmer for farming operations if it is used for the planting, cultivating,  
22 harvesting, or curing of farm crops, in the production of dairy products, eggs, or animals, or by  
23 a person who boards horses ~~horses~~ and (ii) an item is used by a farmer for zoo operations if it is  
24 used to construct or maintain a collection of living animals or crops for public display. The items  
25 that may be exempt from sales and use tax under this section are:

26 ...."

27 SECTION 2. This act becomes effective July 1, 2021, and applies to sales made on  
28 or after that date.



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