

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2021

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SENATE BILL 388

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

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

Referred to: Rules and Operations of the Senate

March 30, 2021

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE EXEMPTION FOR FARMERS TO INCLUDE CERTAIN SALES  
BY A QUALIFYING FARMER FOR A ZOO.

The General Assembly of North Carolina enacts:

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

"§ 105-164.13E. Exemption for farmers.

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

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

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



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