

## Tax Information for Washington Farmers

### November 2010

The Department of Revenue recently launched a new web page for farmers and businesses that make sales of goods or services to farmers. You'll find information specifically geared towards helping Washington's agriculture industry understand their tax obligations. It includes Special Notices, information on recent and upcoming legislative changes, laws and rules, an Agriculture Tax Guide, and much more. To make it easy to find, we've created a shortcut: <http://dor.wa.gov/farmers>.

Here are some topics we're currently highlighting:

- **Field burning exemptions expire January 1, 2011**  
The sales and use tax exemptions for purchases of specific equipment by qualified farmers to reduce field burning expire January 1, 2011. Beginning that date, sellers must collect and remit sales tax on these sales.
- **Farm Replacement Parts (FRP) exemption certificates must be renewed**  
Exemption certificates issued 4 years ago for replacement parts and/or services for farm machinery and equipment will be expiring December 31, 2010. If you need to renew your exemption certificate, please call the Business Registration Section at 360-902-7180.
- **Documentation required for different farming exemptions clarified**  
Exemption certificates are being used improperly to document sales tax exemptions. To help clarify, the Department has developed a matrix that which exemption certificate to use when making eligible purchases.
- **New farm tax rule coming soon**  
The Department is currently updating WAC 458-20-210 (the farm tax rule), which discusses how taxes apply to agriculture-related activities and purchases of tangible personal property by farmers. A draft rule will be available on our website. We encourage you to review the draft rule and provide comments.

Please visit our new farmer's page – <http://dor.wa.gov/farmers> – to learn more about these and other topics. We encourage you to sign up for our email distribution list to be notified of future changes affecting the agriculture industry.

Washington State  
Department of Revenue