

5703-9-23

Exemption for tangible personal property used or consumed in farming, agriculture, horticulture or floriculture.

(A) The following definitions apply for the purposes of this Rule:

- (1) "Farming" means the occupation of tilling the soil to produce crops as a business and includes raising livestock, bees, or poultry, if the purpose is to sell such livestock, bees, or poultry, or the products thereof as a business.
- (2) "Agriculture" means the cultivation of the soil for the purpose of producing vegetables and fruits and includes gardening or horticulture, together with the raising and feeding of cattle or stock for sale as a business.
- (3) "Horticulture" means the growing, cultivation, and production of flowers, fruits, herbs, vegetables, sap, sod, mushrooms, and nursery stock for sale as a business and includes the operation of commercial vegetable greenhouses or nurseries.
- (4) "Floriculture" is defined as the production of flowers and plants for sale as a business, either in the field or greenhouse.

(B) Purchases of tangible personal property are exempt from sales or use tax pursuant to division (B)(17) of section 5739.02 of the Revised Code if the:

- (1) Purchaser is engaged in farming, agriculture, horticulture or floriculture; and
- (2) Tangible personal property purchased is:
 - (a) Used primarily in farming, agriculture, horticulture or floriculture to produce tangible personal property for sale; or
 - (b) Purchased for incorporation into tangible personal property produced for sale by farming, agriculture, horticulture or floriculture; or
 - (c) Used primarily in the production of tangible personal property that will be used to produce products for sale by farming, agriculture, horticulture or floriculture; or
 - (d) Used primarily in the conditioning or holding of products produced for sale by farming, agriculture, horticulture or floriculture.
- (3) Sales of materials such as lumber, nails, glass and similar items to be used in the construction or repair of buildings are not exempt.

(C) Persons engaged in rendering farming, agricultural, horticultural, or floricultural services for others are deemed to be engaged directly in farming, agriculture, horticulture or floriculture. For example, a veterinarian providing services to a farmer's livestock is engaged in farming and can purchase the tangible personal

property used in treating the livestock exempt from sales or tax.

Replaces: TX-15-10

Effective:

Five Year Review (FYR) Dates:

Certification

Date

Promulgated Under: 119.03
Statutory Authority: 5703.05
Rule Amplifies: 5739.02
Prior Effective Dates: 1-2-62