Farmers will have two ways to buy agricultural materials tax-free

Local News

Posted by: David Haviland

Posted on : September 9, 2009 at 5:10 am

Olympia, WA - Washington farmers will have two ways to continue buying certain agricultural materials tax-free after a new reseller permit system takes effect Jan. 1, 2010.

Farmers registered with the Department should use the reseller permit to make qualifying purchases – feed, seed, seedlings, fertilizer and pesticides – without paying sales tax. Farmers not required to be registered with the Department can use the Farmers’ Certificate for Wholesale Purchases and Sales Tax Exemptions. The certificate is available at http://dor.wa.gov under Get a form or publication and at any local office. The certificate is only for farmers who produce agricultural products for sale on land they legally control.

The reseller permit replaces resale certificates that businesses use to purchase items for resale without paying sales tax. The Legislature created the new system in an effort to capture an estimated $100 million in state and local sales tax lost annually to businesses that buy products and services that are not resold.
Farmers already registered with the Department may automatically be mailed a free reseller permit if their businesses meet certain criteria. Farmers who are not sent permits may apply for them.

Whichever form a farmer uses, records must be kept for five years so the Department can verify that purchases qualify. More information about qualifying tax-exempt purchases for farmers is at http://dor.wa.gov/resellerpermit or by calling 1-800-647-7706.