New Sales Tax Rules for Agriculture

Starting January 1st, 2013, the Georgia Agriculture Tax Exemption (GATE) program will offer qualified agricultural producers and businesses sales tax exemption on an expanded list of agricultural inputs and equipment. This program was created by Georgia House Bill 386 and replaces the Agricultural Certification of Exemption (ST-A1) form. In order for agricultural producers to benefit from the expanded sales tax exemption program, they must submit an application to the Georgia Department of Agriculture to receive a sales tax exemption certificate that can be presented to retailers.

To qualify for a GATE certificate, an applicant must meet one of the following qualifications: 1) produce a minimum of $2,500 of agricultural products annually, 2) provide a minimum of $2,500 worth of agricultural services annually, 3) maintain orchards, pasture, or timber with the long-term potential to produce $2,500 annually, or 4) own property that qualifies for the Conservation Use Value Assessment (CUVA) or Forestland Protection Act.

The new GATE program will now provide sales tax exemption on input costs such as energy and equipment parts as well as equipment such as trailers, crop-dusters, and more in addition to the existing exemptions for feed, seed, fertilizer, chemicals, and equipment. In order for someone to receive sales tax exemption through the GATE program, they must fill out an application form and submit it to the Georgia Department of Agriculture. An annual certification fee of $25 is required for written and phone applications or $20 for online applications.

Applications were opened on November 15th, so you can now apply in time for the January 1st program start date. There are several opportunities for people interested in the new program to apply. You can visit the Georgia Department of Agriculture website at www.agr.georgia.gov to find more information, apply online, or print an application, call 1-855-FARM-TAX (1-855-327-6829) to apply over the phone or ask questions, or pick up applications at the Madison County Farm Bureau office. Computers will be made available in the Ag computer lab at Madison County High School, room 413 on Monday, November 26th from 5:00 – 6:30 pm. There will also be an information session at the Franklin County Ag Center at Franklin County High School on November 28th at noon with lunch provided. RSVP for this luncheon by contacting Cindy Jones at 706-654-8252.

I encourage everyone who can to apply for this program as soon as possible to make sure you benefit from this opportunity at the start of the year.