

COMMERCIAL FARM EXEMPTION FOR ALL-TERRAIN VEHICLES **FORM ET-819**

Print Form

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Act 819 of 2019 amends current sales tax code provisions regarding the sales tax exemption for certain items of farm equipment and machinery to require additional documentation from the purchaser when claiming the farm exemption on the purchase of an all-terrain vehicle. All-Terrain Vehicles ("ATV") are defined as motorized vehicles which meet the following criteria: 1. Has three (3), four (4), or six (6) wheels; 2. Is fifty inches (50") or less in width; 3. Is equipped with nonhighway tires; and 4. Has an engine displacement of no more than one thousand cubic centimeters (1,000 cc) ATV's do not include golf carts, riding lawn mowers or lawn or garden tractors.

Arkansas Code Ann. §26-52-403 provides an exemption from sales tax for new and used farm machinery and equipment. "Farm machinery and equipment" is defined as agricultural implements used exclusively and directly for the agricultural production of food or fiber as a commercial business.

For the purchase of an ATV to be tax-exempt, the taxpayer must certify the machinery will be - 1. used exclusively in the agricultural production of food or fiber as a commercial business, AND; 2. used directly in the actual agricultural production of food or fiber to be sold in processed form or at retail, OR used directly in the agricultural production of farm products to be fed to livestock or poultry which is to be sold ultimately in processed form at retail. If the purchaser is not selling farm products produced in the course of an ongoing farming business, the purchaser is not entitled to this exemption.

Examples of Non-Exempt items would include – 1. an ATV owned by a commercial farmer but also used at a location other than the farming property (such as duck club or deer camp); 2. an ATV owned by a commercial farmer but also used for any purpose at any time for activities other than commercial farming even while at the commercial farm (such as pleasure riding, household activities, residential yard work, gardening, hunting, fishing); 3. an ATV purchased by a commercial farmer who also uses the machine to produce food or fiber primarily for his own consumption; 4. attachments to and accessories not essential to the operation of the implement itself (except when sold as part of an assembled unit); or 5.

To purchase the ATV exempt from sales tax the purchaser must certify in writing that he is engaged in the business of commercial farming and that the ATV will be used only in commercial farming. The seller then must certify to the Department of Finance and Administration that the contract price of the ATV has been reduced to grant the full benefit of the exemption. Any accessories not pre-assembled by the manufacturer are taxable, even if purchased at the same time. Subsequent parts or repairs are taxable sales. Violation of this regulation by the Purchaser or the Seller is a misdemeanor. Any taxpayer who wrongfully claims the farm machinery exemption will be assessed tax, interest and

682-7104.	irtment of Finance and Administra	tion. II you nave a ques	suon o	r need additional inforn	nation, please contact ti	ne sales and USE Tax Sec	ction at (501)	
		Farm lo	denti	fication				
Federal Identification Number (FEIN):			OR	Social Security Number (SSN): (Sole Proprietor Only) OR				
		Fai	rm N	ame				
Owner's Name: (Enter full legal name of Farm. If operating as a Sole Proprietor enter first name, middle name, and last name.)			DBA: (Enter full Doing Business As Name, if applicable.)					
	ı	Physical Addres	s of (Commercial Farm	n			
Street (Not PO Box)		City		State	Zip Code	County	County	
		Mailing Address	s of C	Commercial Farm	1	'		
Street Address or PO Box		City	ity		Zip Code	In Care Of	In Care Of	
		All-Terrain V	ehicl	e Information	1	'		
Make of ATV	Model of ATV	Year VI		VIN # of A	ΤV	ATV Dealer		
List ALL purposes whic	h this ATV will be used:							
document the Purchaser ackn purchases exempted from Ark Arkansas Law.	nere is engaged in, or provides se nowledges that this claim for exe kansas sales and use tax will resu eted form(s) along with your exci eturn.	mption will be audite It in the assessment o	ed by toof tax,	he Department of Fin penalty, and interest a	ance and Administrations against the signee and	on and all false represe is punishable as a mis	entations for demeanor under	
(Purchaser Print t	Name)	(Purchaser Si	anatur	<u> </u>	Durchaser Phone Numb	and Area Code)	(Date)	

(Purchaser Phone Number, Incl. Area Code)