

Application for Conditional Farmer Exemption Certificate Number for Qualified Purchases

North Carolina Department of Revenue

Office Use

A person who does not meet the definition of the term "qualifying farmer" as defined in N.C. Gen. Stat. § 105-164.13E(a) may apply for a conditional farmer exemption certificate number. A person with a conditional farmer exemption certificate is allowed to purchase items exempt from sales and use tax to the same extent as a qualifying farmer. Use this application to apply for a conditional farmer exemption certificate number from the Department.

1. If Corporation, Partnership, or LLC enter Federal Employer ID No.: _____ If Proprietorship enter Social Security Number: _____

2. Type of Ownership: Proprietorship Corporation Partnership LLC Other (*Identify*) _____

3. Applicant's Legal Name: _____

4. Trade Name (*DBA Name*): _____

5. Street Address: Street _____
(*Not P.O. Box Number*)

City _____ State _____ Zip Code _____

6. Mailing Address: Street or P.O. Box _____

City _____ State _____ Zip Code _____

7. Enter agricultural exemption certificate number issued to applicant prior to July 1, 2014, if applicable. 1 _____

8. Applicant intends to engage in the following farming operations. (*Fill in all applicable circles*)

- Dairy operator
- Poultry farmer
- Egg producer
- Livestock farmer
- Farmer of crops
- Farmer of an aquatic species as defined in N.C. Gen. Stat. § 106-758

9. Check if applicant certifies that they will timely file State and federal income tax returns that reflect income and expenses incurred from farming operations during the income tax years that the conditional farmer exemption certificate applies.

Signature: _____ Date: _____
I certify that this application is accurate and complete.

Name (*Print*): _____ Title: _____

E-mail: _____ Phone: _____

General Information

- Certain tangible personal property, digital property, and services as listed in N.C. Gen. Stat. § 105-164.13E are exempt from sales and use tax if purchased by a conditional farmer for use by the farmer in the planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals.
- Pursuant to N.C. Gen. Stat. § 105-164.28A, the Department may require a person who purchases an item that is exempt from sales and use tax, depending on the status of the purchaser or the intended use of the item, to obtain an exemption certificate number. A person who no longer qualifies for a use-based exemption certificate number must notify the Department within 30 days to cancel the exemption certificate number.
- A conditional farmer exemption certificate is valid for the income tax year in which the certificate is issued and the following two income tax years, provided the person to whom the certificate is issued provides copies of applicable State and federal income tax returns to the Department within 90 days following the end of each income tax year covered by the conditional farmer exemption certificate. The conditional farmer exemption certificate expires after the third income tax year or when a person ceases to engage in farming operations, whichever comes first. A conditional farmer exemption certificate may not be extended or renewed beyond the original three-year period. The Department may not issue a conditional farmer exemption certificate to a person who has had a conditional farmer exemption certificate issued during the prior 15 income tax years.
- A certificate of exemption bearing a conditional farmer exemption certificate number issued by the purchaser authorizes a seller who sells an item to the holder of the exemption certificate to not collect tax on the sale. A person who no longer qualifies for a conditional farmer exemption certificate must give notice to each seller that may rely on the exemption certificate on or before the next purchase.
- A person who purchases tangible personal property, digital property, and services under an exemption certificate is liable for any tax due and applicable penalties and interest if the Department determines that the person is not eligible for the exemption or the property was not used as intended by the purchaser. In addition, under the provisions of N.C. Gen. Stat. § 105-236(a)(7), any person who willfully attempts, or who aids or abets any person to attempt, in any manner to evade or defeat any tax imposed by law, or the payment of the tax, is guilty of a Class H felony. For misuse of an exemption certificate by a purchaser, the Department must assess against the purchaser a penalty of \$250.00.
- If you need assistance with completing this application, you may telephone the Taxpayer Assistance and Collection Center at 1-877-252-3052 (toll-free).

Line by Line Instructions

Line 1 - Corporation, Partnership, or LLC enter Federal Employer Identification Number (FEIN). Proprietorship enter Social Security Number (SSN).

Line 2 - Identify the type of ownership by filling in the proper circle.

Line 3 - Enter the applicant's legal name for which a conditional farmer exemption certificate number is being applied for.

Line 4 - Enter the trade name (doing business as name) for which a conditional farmer exemption certificate number is being applied for, if applicable.

Line 5 - Enter the street (not P.O. Box number) address for the person applying for a conditional farmer exemption certificate number.

Line 6 - Enter the mailing address to which all correspondence concerning the conditional farmer exemption certificate number should be mailed by the Department.

Line 7 - Enter the agricultural exemption number issued to the applicant prior to July 1, 2014. If not applicable, leave blank. The agricultural exemption certificate number begins with numeral one followed by five additional numbers.

Line 8 - Select type of farming operation. Fill in all applicable circles.

Line 9 - Certify by checking the box that timely State and federal income tax returns will be filed that reflect income and expenses incurred from farming operations during the income tax years that the conditional farmer exemption certificate applies.

Sign and date the application. Print your name along with your title, phone number, and e-mail address where you can be reached if the Department has questions about the application. **Mail the application to the NC Department of Revenue, Registration Unit, P.O. Box 25000, Raleigh, NC 27640-0001. Fax Number 919-715-2999.**