

This publication provides general information and is not meant to be a substitute for tax laws or regulations.

Sales

Agricultural producers who sell their own livestock, poultry or other farm products are not required to collect sales tax if they are not engaged in making other retail sales. This also applies to sales of livestock sold at public sales sponsored by breeders, registry associations or livestock auction markets. Agricultural producers must maintain adequate records to support the exempt status of their sales. The exemption from collection of the sales tax does not apply to agricultural producers who purchase livestock, poultry or other farm products for resale. They must collect and remit the tax or obtain from the purchaser a properly completed [exemption certificate](#).

Purchases

In general, tangible personal property or taxable services purchased for use or consumption in connection with the commercial production of an agricultural product are exempt from sales or use tax. However, purchases of tangible personal property and services to be used or consumed in the construction of, or permanent improvement to, real property and purchases of gasoline and special fuel are not exempt. The exemption applies to purchases for use in the commercial production of agricultural products as a business and not to purchases for use or consumption for any other purpose. Therefore, a person in the business of farming may purchase feed, seed, fertilizer, repairs to a tractor, etc., without payment of sales or use tax. Purchases of tangible personal property or services by a farmer to be used or consumed in the construction or improvement of real property are not exempt from the sales or use tax. For example, purchases of building materials to construct barns or sheds are taxable. Purchases of nails and fencing are not considered permanent improvements to real property and are not taxable.

It should be noted that "commercial production of an agricultural product" means the production of food, fiber or woodland products (but not timbering activity) by means of cultivation, tillage of the soil or by the conduct of livestock, dairy, apiary or any other plant or animal production activity and all farm practices related, usual or incidental thereto, including the storage, packing, shipping and marketing of agricultural or farm products, but not including any manufacturing, milling or processing of such products by persons other than the producer thereof provided the taxpayer sold at least one thousand dollars (\$1,000) of agricultural products during the previous year.

In other words, persons engaged in farming who sell less than \$1,000 of products annually are:

1. Not considered to be commercially producing agricultural products for sales and use tax purposes; and
2. Not eligible to purchase items exempt from sales or use tax.

Anyone claiming any exemption by use of an [Exemption Certificate](#) (F0003) must register with the West Virginia Tax Division by completing the West Virginia New Business Registration Application ([Form WV/BUS-APP](#)). You may also register online at the Secretary of State's website: [Business4WV.gov](#).

Agricultural producers are exempt from the \$30 fee normally associated with applying for a business registration certificate.

For more information, you can:

- Call a Taxpayer Services Representative at (304)558-3333 or toll-free at (800) 982-8297
- Email taxhelp@wv.gov
- Go Online to tax.wv.gov