

**TITLE 12—DEPARTMENT OF REVENUE**  
**Division 10—Director of Revenue**  
**Chapter 110—Sales/Use Tax—Exemptions**

**12 CSR 10-110.900 Farm Machinery and Equipment Related Exemptions**

*PURPOSE: Sections 144.030.2, 144.045.1, 144.047, and 144.063, RSMo, exempt certain farm machinery, equipment, repair parts, supplies, lubricants, and fuels from taxation. This rule explains which items qualify for these exemptions.*

(1) In general, the purchase of farm machinery, equipment, and repair and replacement parts used for producing crops, raising and feeding livestock, fish, or poultry, or producing milk for ultimate sale at retail, and motor fuel, supplies, and lubricants used exclusively for agricultural purposes is exempt from tax.

(2) Definition of Terms.

(A) Equipment—Devices that have a degree of permanence to the business, contribute to multiple processing cycles over time, and generally constitute fixed assets, other than land and buildings, that are capitalized and depreciated for purposes of business and accounting practices.

(B) Farm machinery, equipment, and parts—Machinery, equipment, and parts used in any agricultural production process.

(C) Machinery—Combinations of parts that work together as a functioning unit, even if they are subordinate elements of more complex machinery. Machinery may be simple or complex, but does not include the replacement of an individual part, even if that part becomes an element of a functioning machine.

(D) Motor fuel—Gasoline, diesel fuel, kerosene, and blended fuel, as defined in section 142.800, RSMo.

(E) Repair and replacement parts—Articles of tangible personal property that are components of machinery and equipment, which can be separated from the machinery or equipment and replaced. Like machinery and equipment, parts must have a degree of permanence and durability. Included in the repair and replacement part category are batteries, tires, fan belts, mufflers, spark plugs, oil filters, plow points, standard type motors, and cutting parts. Substances such as coolants that are added to machinery and equipment for operation are not parts. Substances such as paints or adhesives that adhere to the surface of machinery and equipment, but are not distinct articles of tangible personal property, are not parts.

(F) For the purposes of this rule, supplies shall mean— Tangible personal property consumed in producing crops or milk, or raising and feeding livestock, fish, poultry, pheasants, chukar, or quail for ultimate sale at retail.

### (3) Basic Application of Exemption.

(A) To qualify for exemption pursuant to section 144.030.2, RSMo, for new or used farm tractors and such other new or used farm machinery and equipment, items purchased must be—

1. Used for any agricultural purposes.

(B) To qualify for exemption of supplies, lubricants, and motor fuel, items purchased must be—

1. Used exclusively for agricultural purposes.

(C) Pursuant to section 144.045.1, RSMo, farm machinery or equipment that would otherwise qualify as exempt farm machinery and equipment will not lose its exempt status merely because the machinery or equipment is attached to a vehicle or real property. Such equipment includes, but is not limited to, a grinder mixer mounted on a vehicle or special livestock flooring. When exempt farm machinery or equipment attached to a motor vehicle is sold with the motor vehicle, the part of the total sales price attributable to the farm machinery or equipment is exempt from tax if the farm machinery or equipment is separately invoiced. If not separately invoiced, the total sales price is subject to tax as a motor vehicle.

(D) Pursuant to section 144.047, RSMo, farm machinery includes aircraft used solely for aerial application of agricultural chemicals.

(E) Pursuant to section 144.030.2(34), RSMo, all sales of grain bins for storage of grain for resale are exempt; pursuant to this section, parts purchased separately for these bins are not exempt. However, grain bins, including all parts, that are used in production of a farm product and qualify as farm machinery and equipment are exempt pursuant to section 144.030.2, RSMo.

(F) Pursuant to section 144.063, RSMo, fencing and motor fuel used for agricultural purposes are exempt.

(G) The fact that particular items may be considered to be essential or necessary will not automatically entitle them to exemption. The following categories of items are excluded from the meaning of the term farm machinery and farm equipment, including supplies, and are subject to tax:

1. A motor vehicle and parts for a motor vehicle do not qualify as exempt farm machinery or equipment. A trailer and parts for a trailer generally do not qualify as tax-exempt farm machinery or equipment. The terms motor vehicle and trailer are defined by Chapter 301, RSMo;

2. Containers and storage devices such as oil and gas storage tanks, pails, buckets, and cans;

3. Hand tools and hand-operated items such as wheelbarrows, hoes, rakes, pitchforks, shovels, brooms, wrenches, pliers, and grease guns;
4. Attachments and accessories not essential to the operation of the machinery itself (except when sold as part of the assembled unit), such as cigarette lighters, radios, canopies, air-conditioning units, cabs, deluxe seats, tool or utility boxes, and lubricators;
5. Equipment used in farm management such as communications and office equipment, repair, service, security, or fire protection equipment; and
6. Building materials and general heating, lighting, and ventilation equipment for nonproduction areas.

(4) Examples.

(A) A farmer takes his tractor to the implement dealer for routine maintenance, which includes changing the oil, filters, and antifreeze. The sale of the oil, filters, and antifreeze are exempt.

(B) A farmer buys a bale spike to be installed on his pickup truck. The bale spike is not subject to tax.

(C) A farm supply store sells commercial rabbitry equipment, such as feeders, nest boxes, and wire hanging cages used for rabbit cages and feeders, to a farmer who raises rabbits in confinement for human consumption. These items are not subject to tax.

*AUTHORITY: sections 144.270 and 144.705, RSMo 2016. \* Original rule filed Nov. 18, 1999, effective June 30, 2000. Amended: Filed Oct. 2, 2009, effective May 30, 2010. Amended: Filed Oct. 2, 2025, effective April 30, 2026.*

*\*Original authority: 144.270, RSMo 1939, amended 1941, 1943, 1945, 1947, 1955, 1961, 2008, and 144.705, RSMo 1959.*

***Charles A. Johnson, Jr. v. Director of Revenue*** (AHC 1986). *A seed cleaner was purchased under a claim of exception to process soybeans. The Commission ruled that although the taxpayer bought the seed cleaner to process his own soybeans, he used the equipment to process other farmers' seed as well. Processing the seed of others failed to meet the requirement that the equipment be used directly and exclusively for the production of farm products.*

***Crystal Lake Fisheries v. Director of Revenue*** (AHC 1989). *A nearby creek could flood raceways used to raise rainbow trout. A dike prevents the creek from flooding the raceways. A bulldozer was purchased, which was used to repair and maintain the dike. The bulldozer is also used to prevent flooding of pasture, hay, and land containing hardwood and softwood trees, all of which are harvested as required. The court found that the bulldozer in question met the three requirements of the exemption statute. The bulldozer was used exclusively for agricultural purposes, on land owned or leased for the purpose of farming, and directly in producing farm products.*