

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

PROPOSED AMENDMENT

12 CSR 10-110.900 Farm Machinery and Equipment Related Exemptions. The department is amending the purpose statement and sections (1) - (4).

PURPOSE: This rule is being updated to align with current statutes.

PURPOSE: Sections 144.030.2[(22)], 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 *[and supplies and lubricants]* used *[exclusively, solely, and directly]* 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 *[directly and exclusively]* in *[the]* **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[(22)], RSMo, **for new or used farm tractors and such other new or used farm machinery and equipment**, items purchased must be—

1. Used [~~exclusively~~] for **any** agricultural purposes[;]’

2. *[Used on land owned or leased for the purpose of producing farm products; and*

3. *Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail. The term “used directly” encompasses items that are used in some manner prior to the actual commencement of production, during production, or in some manner after the production has terminated. In determining whether items are used directly, consideration must be given to the following factors:*

A. Where the items in question are used;

B. When the items in question are used; and

C. How the items in question are used to produce a farm product.]

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

1. Used exclusively for agricultural purposes.

[(B)] **(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.

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

[(D)] **(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[(22)], RSMo.

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

~~[(F)]~~ **(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[; *and*].

[7. Machinery and equipment used for a dual purpose, one purpose being agricultural and the other being nonagricultural, are not exempt.

(G) Example A is a list of items of farm machinery, equipment, and supplies that will usually be exempt if used exclusively for agricultural purposes on land owned or leased for the purpose of producing farm products and used directly in producing farm products or livestock to be sold ultimately at retail.]

(4) Examples.

[(A) Usually Exempt Items.

Anti-freeze

Artificial insemination equipment

Augers

Bale loader

Bale transportation equipment

Baler twine

Baler wire

Balers

Batteries for farm machinery and equipment

Bedding used in production of livestock or poultry for food or fiber

Binder twine

Binders

Brooders

Bulk feed storage tanks

Bulk milk coolers

Bulk milk tanks

Bulldozers used exclusively in agricultural production

Calcium for tires

Calf weaners and feeders

Cattle currying and oiling machine

Cattle feeder, portable

Chain saws for commercial use in harvesting timber, lumber, and in orchard pruning

Chicken pluckers

Choppers

Cleansing agents and disinfectants for agricultural process

Combines

Conveyors, portable

Corn pickers

Crawlers, tractor

Crushers

Cultipackers

Cultivators

Curtains and curtain controls for livestock and poultry confinement areas

Debeakers for productive animals

Dehorner for productive animals

Discs

Drags

Dryers

Dusters

Ear Tags

Egg handling equipment

Ensilage cutters

Ether

Fans, livestock and poultry

Farm tractors

Farm wagons

Farrowing houses, portable

Farrowing crates

Feed carts

Feed grinders/mixers

Feed storage bins

Feeders

Fencing Materials

Fence Posts

Fertilizer distributors

Field drain tile

Flooring slats

Foggers

Forage boxes

Forage harvester

Freon

Fruit graters

Fruit harvesters

Fuel additives

Gates

Generators

Gestation crates

GPS—Global Positioning System equipment

Grain augers

Grain bins for storage of grain for resale (but not separately billed parts or add-ons to these grain bins)

Grain binders

Grain conveyors

Grain drills

Grain elevators, portable

Grain handling equipment

Grain planters

Greases and oils

Harrows (including spring-tooth harrow)

Hay loaders

Head gates

Heaters, livestock and poultry

Hog feeders, portable

Hog rings

Hoists, farm

Husking machines

Hydraulic fluid

Hydro-coolers

Incubators

Irrigation equipment

Light bulbs

Livestock feeding, watering, and handling equipment

Lubricating oils and grease

Manure handling equipment (including front and rear- end loaders and blades)

Manure spreaders

Marking chalk

Milk cans

Milk coolers

Milk strainers

Milking equipment (including bulk milk refrigerators, coolers, and tanks)

Milking machine

Motor Fuel (gasoline, diesel fuel, kerosene, and blended fuel)

Mowers, hay and rotary blade used exclusively for agricultural purposes

Off-road utility vehicles, other than all-terrain vehicles (provided the vehicle qualifies as farm machinery or equipment)

Panels, livestock

Pickers

Planters

Plows

Posthole diggers

Poultry feeder, portable

Pruning and picking equipment

Repair and replacement parts for exempt machinery

Rollers

Root vegetable harvesters

Rotary hoes

Scales (not truck scales)

Seed cleaners

Seed planters

Seeders

Shellers

Silo unloaders

Snow Fence

Sorters

Sowers

Sprayers

Spreaders

Sprinkler systems, livestock and poultry

Squeeze chutes

Starting Fluid

Subsoiler

Tarps to protect agriculture products

Threshing machines

Tillers

Tires for exempt machinery

Tractors, farm

Vacuum coolers

Vegetable graders

Vegetable washers

Vegetable waxers

Wagons, farm

Washers, fruit, vegetable, and egg

Waxers

Weeders

Wire fencing

(B) Usually Taxable Items.

Acetylene torches

Air compressors

Air tanks

All-terrain vehicles (unlike an off-road utility vehicle that does not meet the definition of a motor vehicle, an all-terrain vehicle is a motor vehicle because it has a seat that is straddled and handlebars for steering)

Automobiles

Axes

Barn ventilators

Brooms

Brushes

Building materials and building supplies

Bulldozers

Cement

Chain saws

Construction tools

Electrical wiring

Equipment and supplies for home or personal use

Fence building tools

Field toilets

Fire prevention equipment

Garden hose

Garden rakes and hoes

Gasoline tanks and pumps

Golf carts

Hammers

Hand tools

Hog ringers

Lamps

Lanterns

Lawnmowers

Nails

Office supplies and equipment

Packing room supplies

Paint and decals

Personal property installed in or used in housing for farm workers

Pumps for household or lawn use

Pumps, gasoline

Refrigerators for home use

Repair tools

Road maintenance equipment

Road scrapers

Roofing

Sanders

Shovels

Silos

Small tools

Snowplows and snow equipment

Staples

Supplies for home or personal use

Tanks, air

Tanks, gasoline

Tools for repair construction

Tractors, garden

Truck beds

Water hose

Welding equipment

Wrenches

(C) A farmer purchases a lawnmower. The farmer uses the lawnmower to mow in an orchard, as well as to mow his lawn. The purchase of the lawnmower is subject to tax, because the lawnmower is not used exclusively and directly for agricultural production.

(D) A farmer purchases a water chiller for use to control the climate inside the hatchers and setters. The water chiller is also used to cool the administrative areas in the hatchery. The purchase of the water chiller is subject to tax, because it is not used exclusively for agricultural production.]

[(E)] (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.

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

[(G)] (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[, RSMo Supp. 2009] and [section] 144.705, RSMo [2000]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.*

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

Public Cost: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500) in the aggregate.

Private Cost: This proposed amendment will not cost private entities more than five hundred dollars (\$500) in the aggregate.

*NOTICE TO SUBMIT COMMENTS: Anyone may file a statement in support of or in opposition to this proposed amendment with the Missouri Department of Revenue, Legislative Office, 301 West High Street, Room 218, Jefferson City, MO 65105-0475. To be considered, comments must be received within thirty (30) days after publication of this notice in the **Missouri Register**. No public hearing is scheduled.*