



Special Notice

CALIFORNIA STATE BOARD
OF EQUALIZATION
450 N STREET
SACRAMENTO, CA 95814

Auto Part Retailers' Sales Generally Do Not Qualify for the Farm Equipment and Machinery Partial Exemption

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TTY
711

For your convenience, the California State Board of Equalization (BOE) has created a list of items that generally do not qualify for the partial exemption from sales and use tax for sales of farm equipment and machinery to persons engaged in qualifying farming or ranching activities (qualified persons). You may place this list, printed on the reverse side of this notice, in a convenient location by your register for quick reference in the event a person is attempting to purchase an item and claiming the partial exemption applies to the transaction.

Sales of farm equipment and machinery (including repair and replacement parts), purchased for use by a qualified person and primarily used in producing and harvesting agricultural products, are subject to a partial exemption from sales and use tax.

However, for a vehicle to be considered farm equipment and machinery, it must be designated as an implement of husbandry in the California Vehicle Code and used exclusively in agricultural operations by a qualified person. Examples of implements of husbandry include farm tractors, bale wagons, and fertilizer rigs. Passenger vehicles and pickup trucks generally do not qualify as farm equipment and machinery. Therefore, parts and accessories sold for use on a passenger vehicle or pickup truck generally do not qualify for the partial exemption.

For information regarding implements of husbandry and qualified persons, please see publication 66, *Agricultural Industry*, located at www.boe.ca.gov/pdf/pub66.pdf.

When can I accept a partial exemption certificate?

If you make a sale of auto parts or accessories to a qualified person, you may accept a partial exemption certificate in good faith from the purchaser and claim the partial exemption on your sales and use tax return in the **limited circumstances** where you sell items that meet the criteria above for farm equipment and machinery, and you don't have reason to believe the partial exemption is inapplicable. If the qualified person is purchasing items of a kind not normally used in producing and harvesting agricultural products, such as repair/replacement parts for a passenger vehicle or pickup truck, you should require a statement including how the specific property purchased will be used. However, a partial exemption certificate cannot be accepted in good faith where you have knowledge that the property does not qualify as farm equipment or machinery, or will not be used in an exempt manner.

How do I obtain more information?

For more information on the partial sales and use tax exemption for farm equipment and machinery or to obtain a blank partial exemption certificate, please see the BOE's *Tax Guide for the Agricultural Industry* at www.boe.ca.gov/industry/agriculture.html. You may also call the BOE's Customer Service Center at 1-800-400-7115 (TTY:711). Customer service representatives are available to assist you weekdays from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.



CALIFORNIA STATE
BOARD OF
EQUALIZATION

*Auto Part Retailers'
Sales Generally Do
Not Qualify for the
Farm Equipment and
Machinery Partial
Exemption*

The BOE has determined the following items generally **do not qualify** for the farm equipment and machinery partial exemption. The full tax rate applies to sales of these items:

- Abrasives, tape
- Air compressors and accessories
- Audio equipment
- Automobile accessories
- Battery chargers
- Cables
- Carbonated beverages
- Cargo supplies
- Cleaning agents
- Collectables, toys, games
- Consumables
- Containers
- Decals
- Electrical equipment for an automobile or pickup truck
- Fasteners, hardware
- Floor mats, seat covers
- Hand cleaner, soap
- Janitorial supplies
- Lighting equipment
- Locks and lock kits
- Logo items
- Lubricants
- Marine parts and accessories
- Office computers, paper, printers
- Phone systems
- Promotional products (items typically given away to customers)
- Ramps
- Repair manuals
- Repair/replacement parts for automobiles
- Repair/replacement parts for pickup trucks
- Shipping supplies
- Shop heating and cooling equipment
- Shop supplies, shop towels
- Tire chains for automobiles
- Tire chains for pickup trucks
- Tire changing and service equipment
- Tool storage equipment
- Travel accessories
- Truck bed and tailgate accessories
- Warehouse supplies
- Welding equipment
- Wheel balancers
- Winter accessories
- Video equipment

Please note this is not an exhaustive list. If you have a question about an item not on this list, please call the BOE's Customer Service Center at 1-800-400-7115 (TTY:711), Monday through Friday from 8:00 a.m. to 5:00 p.m. (Pacific time), except state holidays.

The above list is current as of May 16, 2016.