



COMMERCIAL FARM EXEMPTION FOR ALL-TERRAIN VEHICLES FORM ET-819

Act 819 of 2019 amends current sales tax code provisions regarding the sales tax exemption for certain items of farm equipment and machinery to require additional documentation from the purchaser when claiming the farm exemption on the purchase of an all-terrain vehicle. All-Terrain Vehicles ("ATV") are defined as motorized vehicles which meet the following criteria: 1. Has three (3), four (4), or six (6) wheels; 2. Is fifty inches (50") or less in width; 3. Is equipped with nonhighway tires; and 4. Has an engine displacement of no more than one thousand cubic centimeters (1,000 cc) ATV's **do not** include golf carts, riding lawn mowers or lawn or garden tractors.

Arkansas Code Ann. §26-52-403 provides an exemption from sales tax for new and used farm machinery and equipment. "Farm machinery and equipment" is defined as agricultural implements used **exclusively and directly** for the agricultural production of food or fiber as a commercial business.

For the purchase of an ATV to be tax-exempt, the taxpayer must certify the machinery will be – 1. used exclusively in the agricultural production of food or fiber as a commercial business, **AND**; 2. used **directly** in the actual agricultural production of food or fiber to be sold in processed form or at retail, OR used directly in the agricultural production of farm products to be fed to livestock or poultry which is to be sold ultimately in processed form at retail. If the purchaser is not selling farm products produced in the course of an ongoing farming business, the purchaser is not entitled to this exemption.

Examples of Non-Exempt items would include – 1. an ATV owned by a commercial farmer but also used at a location other than the farming property (such as duck club or deer camp); 2. an ATV owned by a commercial farmer but also used for any purpose at any time for activities other than commercial farming even while at the commercial farm (such as pleasure riding, household activities, residential yard work, gardening, hunting, fishing); 3. an ATV purchased by a commercial farmer who also uses the machine to produce food or fiber primarily for his own consumption; 4. attachments to and accessories not essential to the operation of the implement itself (except when sold as part of an assembled unit); or 5. repair labor and repair parts.

To purchase the ATV exempt from sales tax the purchaser must certify in writing that he is engaged in the business of commercial farming and that the ATV will be used only in commercial farming. The seller then must certify to the Department of Finance and Administration that the contract price of the ATV has been reduced to grant the full benefit of the exemption. Any accessories not pre-assembled by the manufacturer are taxable, even if purchased at the same time. Subsequent parts or repairs are taxable sales.

Violation of this regulation by the Purchaser or the Seller is a misdemeanor. Any taxpayer who wrongfully claims the farm machinery exemption will be assessed tax, interest and penalty upon audit by the Department of Finance and Administration. If you have a question or need additional information, please contact the Sales and Use Tax Section at (501) 682-7104.

Farm Identification

Federal Identification Number (FEIN):	OR	Social Security Number (SSN): (Sole Proprietor Only)
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Farm Name

Owner's Name: (Enter full legal name of Farm. If operating as a Sole Proprietor enter first name, middle name, and last name.)	DBA: (Enter full Doing Business As Name, if applicable.)
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Physical Address of Commercial Farm

Street (Not PO Box)	City	State	Zip Code	County
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Mailing Address of Commercial Farm

Street Address or PO Box	City	State	Zip Code	In Care Of
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All-Terrain Vehicle Information

Make of ATV	Model of ATV	Year	VIN # of ATV	ATV Dealer

List **ALL** purposes which this ATV will be used:

The purchaser, undersigned here is engaged in, or provides services for, the commercial production of food or fiber as a commercial farming business. By signing this document the Purchaser acknowledges that this claim for exemption will be audited by the Department of Finance and Administration and all false representations for purchases exempted from Arkansas sales and use tax will result in the assessment of tax, penalty, and interest against the signee and is punishable as a misdemeanor under Arkansas Law.

Seller: Please send the completed form(s) along with your excise tax return by the 20th day of the month following the date of sale. ATAP Filers can attach the completed form(s) on their ATAP excise return.

(Purchaser Print Name)

(Purchaser Signature)

(Purchaser Phone Number, Incl. Area Code)

(Date)