



Guideline

Sales Tax

Feed, Seed & Farm Chemicals

Cory Fong
Tax Commissioner

August 2004

Poultry and Livestock Feed Exempt

Sales of feed for poultry or livestock, including breeding stock and wool bearing stock, for the purpose of producing eggs, milk, meat, fibers or other products for human consumption, and sales of feed for draft (horses) or fur bearing animals (including rabbits) are not subject to sales tax. The word *feed* as used herein shall mean only grains, hays, tankage, oyster shells, grit, salt, mineral supplements, milk replacers, limestone, molasses (wet and dry), beet pulp, meat and bone scraps, meal, drugs to be used as part of a feed ration and other generally recognized animal feeds.

Most processed feeds contain antibiotics, stimulants and drugs, which improve the well-being of the animal. The addition of these items does not subject the feed to sales tax. In addition, all veterinary drugs including injectable serums (inoculants) for livestock and poultry are exempt from sales tax when sold to farmers and ranchers. Pet drugs are subject to sales tax.

Taxable Sales

Although livestock and poultry feed is exempt from sales tax, pet food is subject to sales tax regardless if the food is for animals raised commercially or kept as pets. Health care products for pets also are taxable, as are articles for the comfort and well-being of pets. Kennel operators must pay tax on food, pet medication, bedding and equipment used in the course of the kennel business.

The following list of taxable products includes examples only and is not intended to be all inclusive.

Dog food	Wormer for pets	Nail clippers
Cat food	Tonic for pets	Hair clippers
Bird seed	Pet collars	I.D. tags
Fish food	Training devices	Pet soap and shampoos
Turtle food	Leashes	Grooming supplies
	Beds/bedding	Flea powders

Most feed and seed stores also carry a variety of other products for agricultural use and many of these are taxable. The following list of taxable products includes examples only and is not intended to be all inclusive.

Peat moss	Bulbs for electric brooders
Poultry litter	Curry brushes and combs
Brooder guard	Whips and livestock prods
Twine	Repair parts for equipment
Feeders	Hand tools
Waterers	Hardware
Brooder stoves	

21812

Commercial Fertilizer and Seeds

Sales of commercial fertilizers and sales of seeds, roots, bulbs and small plants for planting or transplanting commercial vegetable gardens or other agricultural purposes are not subject to sales tax, but sales for lawn or landscaping purposes are taxable.

A householder's garden is not a commercial vegetable garden and sales of fertilizer, seeds, roots, bulbs and small plants to householders for personal gardens are taxable sales.

The term *small plants* includes potted plants, set plants, small young trees, shrubs, herbs, slips, cuttings and small saplings. Seeds, roots, bulbs and small plants are exempt only if sold for planting or transplanting a commercial vegetable garden or other agricultural purpose. In order to be exempt the seeds, roots, bulbs and small plants must be grown in a commercial garden for use as food.

Small young trees, including fruit trees and shrubs when sold for the purpose of windbreaks, shelterbelts, soil erosion prevention and other agricultural purposes are exempt from sales tax, but if sold for landscaping, beautification or for other nonagricultural purposes are taxable.

Flower seeds and flower plants generally are subject to sales tax since they are sold for beautification purposes.

Fungicides, Herbicides and Insecticides

Sales of fungicides, seed treatments, inoculants, fumigants, herbicides and insecticides, when sold to commercial applicators, agricultural or commercial vegetable producers (including farmers and ranchers), and chemicals used to preserve agricultural crops are exempt from sales tax. To qualify for the exemption, the items must be sold to a commercial applicator or an agricultural or commercial vegetable producer. If purchased by a commercial applicator or an agricultural or commercial vegetable producer, the items must be used for agricultural or commercial vegetable purposes. If used for home garden or lawn purposes, these items are not exempt.

Definitions

Insecticides

Insecticides are preparations for use against pests, such as beetles, caterpillars, bugs, bees, flies, spiders, mites, ticks, centipedes and lice in any environment, including in or on animals. The insecticide may be used to prevent, destroy, repel or mitigate insects in the egg stage, larva stage or adult stage.

The term *insecticide* also includes repellents such as livestock fly spray or oil.

The following brand names are examples of insecticides; this list does not contain the names of all insecticides and is not intended as a recommendation for the products listed.

Carbaryl	Orthene
Methoxychlor WP	Asana XL
Lorsban 30F	Thimet 20G
Lindane 30C	Furadan 4F
Malathion EC	Pennacap-M
Lannate	Permethrin

Herbicides

Herbicides are products to prevent, destroy, repel or mitigate unwanted plants or plant parts. Herbicides may kill by contact, prevent germination or growth and prevent or kill aquatic weed or algae growth. Certain herbicides referred to as soil sterilants are used to prevent plant growth around power substations, guardrail posts or on hard to control weed or other plant growth.

The term ***herbicide*** includes defoliants and desiccants. Defoliants make leaves or foliage drop from the plants, usually to facilitate harvesting. Desiccants artificially accelerate the drying of plant tissues, such as potato vines before harvest or in the chemical debarking of trees.

The following brand names are examples of herbicides; this list does not contain the names of all herbicides and is not intended as a recommendation for the product listed.

Agsco 400 Herbicide	Lasso
Aatrex	Basagran
Buctril	Roundup
MCPA Amine	Stampede 80EDF
Treflan	Hi-Dep
Sulv	Weed Pro Atrazine

Fungicides

Fungicides are products to prevent, destroy, repel or mitigate fungi. The term ***fungi*** includes organisms such as rusts, smuts, mildews, molds, yeasts and bacteria except those on or in animals. The term ***fungicide*** includes viricides (for control of viruses), bactericides and slimicides (for control of bacteria and slime molds, such as disinfecting a potato storage area or a barn).

The following brand names are examples of fungicides; this list does not contain the names of all fungicides, and is not intended as a recommendation for the product listed.

Anchor	Bayleton
Manzate 200	Dividend
Bravo 500, 720	Terraclor
Tilt	Vitavax

Fumigants

Fumigants are products which perform by toxic vapor action. ***Fumigants*** include pesticides, herbicides, fungicides and insecticides.

Fumigants may be used to control pests in stored products, such as worms in grain; mosquitoes and flies in space; or insects, fungi and weeds which may be found in the soil.

The following brand names are examples of fumigants; this list does not contain the names of all fumigants and is not intended as a recommendation for the products listed.

Chloropicrin
Aluminum phosphide
Methyl bromide

Seed Treatments

Seeds, either in storage or for planting, may be treated by fungicides or insecticides for control of pests.

The following brand names are examples of *seed treatments*; this list does not contain the names of all seed treatments and is not intended as a recommendation for the products listed.

Agrox DL Plus	Enhance Plus
Germate Plus	Grain Guard Plus
Lorban 50 SL	Sorghum Guard

Inoculants

Inoculants are products used to treat seed to enhance germination and growth or products to inject into animals (serums).

The following brand names are examples of inoculants; this list does not contain the names of all inoculants and is not intended as a recommendation for the products listed.

Nitragin	Celltech
List	Soil Implant

Sales to Commercial Applicators and Agricultural and Commercial Vegetable Producers

The items listed below are exempt from North Dakota sales tax.

Sales to Agricultural and Commercial Vegetable Producers (Including Farmers and Ranchers)

Commercial fertilizers
Fungicides
Inoculants (seed & livestock)
Fumigants
Herbicides
Seeds, roots, bulbs and small plants for planting or transplanting
Chemicals used to preserve agricultural crops

Sales to Commercial Applicators Including But Not Limited To Aerial Sprayers

Commercial fertilizers
Fungicides
Inoculants (seed & livestock)
Fumigants
Herbicides

Livestock, poultry, draft animal and fur bearing animal feed is exempt regardless who buys the feed.

Adjuvants (Additives)

Adjuvants or additives required by the chemical label for application of a product warranty are exempt from sales and use tax.

The following brand names are examples of *additives*; this list does not contain the names of all inoculants and is not intended as a recommendation for the products listed.

Activate Plus	Chaser
AMS Plus	Quest
EV Concentrate	Dash HC
Dyne-Amic	Pearless