



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

February 17, 2012

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

Formal Ruling 2012-01

This is a formal ruling regarding your inquiry about the applicability of the sales tax to your planned purchase of an all-terrain vehicle for use in your maple sugaring business. This ruling is based upon representations in your letter of [REDACTED]

RULING

An all-terrain vehicle used to haul equipment to and from your maple trees would not qualify as machinery used directly in the production of farm products for sale, and so, would not be exempt from sales tax.

FACTS

You intend to purchase an all-terrain vehicle (ATV) to carry chain saws and supplies back and forth to your maple trees, for use in your sugaring operation. You mention that "By the end of next summer I expect I will have around [REDACTED]." You would use your ATV with an attached tandem-axle trailer to haul the saws and supplies over the forest terrain to and from the maple trees.

DISCUSSION

Vermont's sales tax law exempts sales of agricultural machinery and equipment for use "directly and exclusively, except for isolated or occasional uses" in "the production for sale of tangible personal property on farms." 32 V.S.A. § 9741(25). A farm includes an enterprise that produces maple syrup for sale. Dept. of Taxes Reg. § 1.9741(25)-2(G).



The Department's regulations related to the farm machinery exemption provide examples of exempt machinery and non-exempt machinery. Items not exempt are:

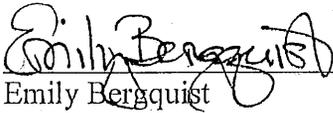
Machinery and equipment used in some manner prior to the actual commencement of production or in some manner after production has terminated, including. . . machinery and equipment used to. . .convey or transport property prior to its use in the actual agricultural operation.

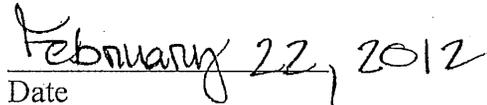
Reg. § 1.9741(25)-5(1). Your ATV will be used to convey or transport chain saws and supplies prior to and after any possible use of those items in your maple syrup operation. The ATV would therefore not qualify as machinery used directly in the production for sale of maple syrup.

GENERAL PROVISIONS

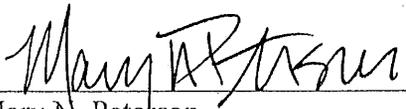
This ruling will be made public after deletion of the parties' names and any information which may identify the parties. A copy of this ruling showing the proposed deletions is attached, and you may request within 30 days that the Commissioner delete any further information that might identify the parties. The final discretion as to deletions rests with the Commissioner.

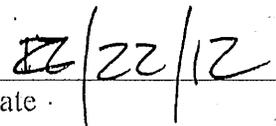
This ruling is issued solely to your firm and is limited to the facts presented, as affected by current statutes and regulations. Other taxpayers may refer to this ruling, when redacted to protect confidentiality, to determine the department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statutes or regulations.


Emily Bergquist


Date

Approved:


Mary N. Peterson
Commissioner of Taxes


Date