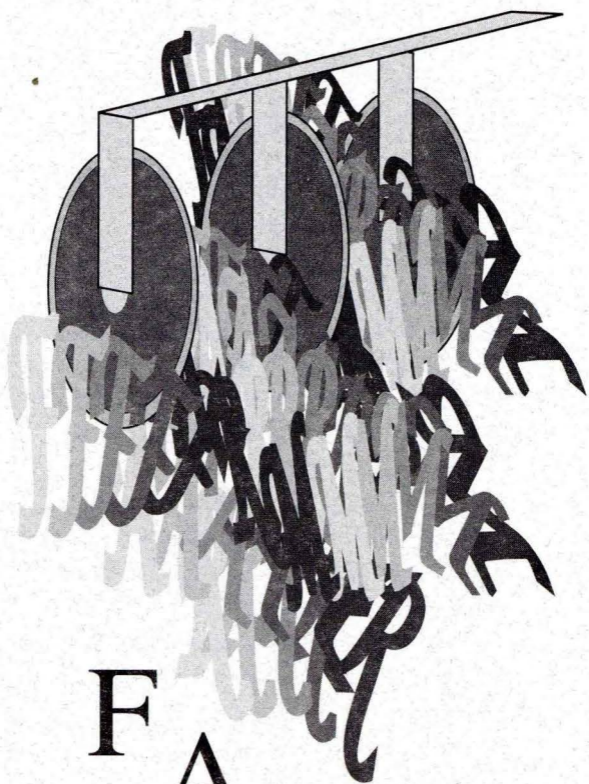


Iowa Department of Revenue and Finance



F
A
R
M

**Machinery
and
Equipment
Purchases**

The Iowa Department of Revenue and Finance assists Iowa farmers and farm implement sellers when questions arise concerning sales and use tax on farm machinery and equipment purchases. This brochure is designed with these people in mind.

Generally, sales or use tax is not due when machinery or equipment used directly and primarily in agricultural, livestock, or dairy production is purchased or rented. The following machinery and equipment is placed into two categories: usually exempt or usually taxable. These include, but are not limited to, the items listed. If you have specific questions about whether or not machinery or equipment is exempt from taxation, contact Taxpayer Services.

A publication titled "The Farmer's Guide" includes information on Iowa sales and use taxes, withholding tax, and other tax information. Contact Taxpayer Services for a copy of this guide.

USUALLY EXEMPT PURCHASES

alternators and generators ²
artificial insemination equipment
augers ²
automatic feeding systems, portable
balers
bale transportation equipment

batteries for exempt machinery
barn ventilators, portable
bedding materials ³
blowers, grain dryer
breeding stock, agricultural
brush hogs ²
bulk feeding tanks, portable
bulk milk coolers and tanks, portable
calf weaners and feeders, portable
cattle currying and oiling machines, portable
cattle feeders, portable
chain and rope hoists, portable
chick guards
chicken pickers, plucking equipment
clipping machines, portable ¹
combines, cornheads, platforms
conveyors, temporary
conveyors, portable
corn pickers
cow stalls, portable
cow ties, portable
cow watering and feeding bowls, portable
crawlers, tractors
cultipackers
cultivators
currying and oiling machines, portable
dehorner, electric
discs
domestic fowl
draft horses
drags
drainage pipe and tile
dusters ²
electric fence equipment, portable
ensilage cutters
ensilage forks and trucks, pick-ups do not qualify
fans/ventilators, portable
farm wagons and accessories
farrowing houses, crates, stalls, portable
feed
feed bins, portable
feed carts, portable
feed elevators, portable
feed grinders, portable
feed scoops ¹
feed tanks, portable
feeders, portable
feeder chutes, portable
fence and fencing supplies, temporary or portable
fertilizer, agricultural

fertilizer spreaders
foggers
forage harvesters, boxes
fuel for grain drying
fuel to heat or cool livestock buildings
gaskets
gates, portable
gestation stalls, portable
grooming equipment, portable ¹
grain augers, portable
grain drills
grain dryer, heater, and blower
gain planters
harrows
hay conditioners
hay hooks
hay loaders
head gates, portable
heaters, portable
herbicides
hog feeders, portable
hog rings and ringers
hoof trimmers, portable ¹
hypodermic syringes and needles, non-disposable
implement customarily drawn by or attached to a
self-propelled implement
incubators, portable
inoculation materials
irrigation equipment
kill cones
limestone, agricultural
livestock feeding/watering/handling equipment,
portable
loading chutes, portable
manure brooms, portable ¹
manure handling equipments, includes front and
rear end loaders, portable ¹
manure scoops, portable ¹
manure spreaders
medications
milk coolers, portable
milking equipment, includes cans, etc.
milking machines
milk tanks, portable
mowers, hay and rotary blade
oil pumps
pesticides
pickers
piston rings
plants (seeds)

planters
plows
poultry brooders, portable
poultry feeders, portable
poultry founts, portable
poultry litters, portable
poultry nests, portable
pruning and picking equipment ²
replacement parts
rock pickers
rollers ²
rotary blade mowers
rotary hoes
saw dust ³
seeders
seed cleaners ²
self-propelled implements
shellers ²
silo blowers, unloaders ²
sowers
space heaters, portable
spark plugs for exempt machinery
specialized flooring, portable
sprayers ²
spreaders
sprinklers
squeeze chutes or stalls, portable
stanchions, portable
subsoilers
tillers
tires for exempt machinery
thermometers
tractors, farm
tractor weights
vacuum coolers
vegetable harvesters
ventilators, portable
water filters, heaters, pumps, softeners, portable
waterers/watering tanks, portable
weaners
weeders ²
wood chips ³

- | |
|--|
| <ol style="list-style-type: none">1 exempt if designed for farm use2 exempt if drawn by or attached to a self-propelled farm implement3 exempt when used as livestock and poultry bedding |
|--|

USUALLY TAXABLE PURCHASES

- additives
- air conditioners, permanent
- air compressors
- air tanks
- antifreeze
- axes
- bailing wire and binding twine
- barn cleaner, permanent
- barn ventilators, permanent
- baskets
- bins, permanent
- brooms
- building materials and supplies
- bulldozers
- burlap cleaners
- cattle feeders, permanent
- cement
- chain saws
- cleaning brushes
- cleansing agents and materials
- computers
- construction tools
- concrete
- conveyors, permanent
- cow ties
- ear tags
- fans, permanent
- fence, posts, wire, permanent
- field toilets
- fire prevention equipment
- freon
- fuel additives
- fuel tanks and pumps
- furnaces
- garden hoses and rakes
- glass
- grain bins and tanks, permanent
- grease
- grease guns
- hydraulic fluids
- hypodermic syringes, disposable
- lamps
- lanterns light bulbs
- lubricants and fluids
- lumber
- marking chalk

materials used to build any "real property"

mops

motor oils

nails

office supplies

oxygen

packaging materials

packing room supplies

paint and paint sprayers

pliers

post hole diggers

pruning tools

pumps for household or lawn use

radios

refrigerators for home use

repair tools

road maintenance equipment

road scraper

roofing

sanders

scrapers

screwdrivers

shingles

shovels

silage bags

silos

snow fence

snow plows and snow equipment

space heaters

specialized flooring, permanent

sprinklers, permanent

stalls, permanent

staples

stanchions, permanent

storage tanks

tarps

tractors, garden

welders

wheel barrows

wrenches

HAND TOOLS AND REPLACEMENT PARTS

Hand tools specially designed for use in agricultural, dairy, and livestock production are exempt from tax. Those which serve a variety of purposes are taxable.

Exempt from the Iowa sales tax are the purchases of replacement parts essential to the operation of exempt equipment. Non-essential parts are taxable. A part is essential if the machinery or equipment cannot properly operate without the part. Do not confuse replacement parts with supplies, most of which are taxable.

ADDITIONAL INFORMATION

Further information regarding farm machinery and equipment purchases is available by contacting the Department.

**TAXPAYER SERVICES
IOWA DEPARTMENT OF
REVENUE AND FINANCE
P.O. BOX 10457
DES MOINES, IOWA 50306-0457**

From the Des Moines metropolitan area or from out of state, please call: **(515) 281-3114**

From elsewhere in Iowa, Omaha, NE., Rock Island/Moline, IL. areas call toll free: **1-800-367-3388**

**78-510
July 1994**



*Printed on
Recycled Paper*

STATE LIBRARY OF IOWA



3 1723 02107 1568