



Collecting Sales Tax on Farm Product Sales Guide to Farming in New York State

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Revised
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Products Exempt from Sales Tax Collection - Farmers do not need to collect sales tax on farm and food products intended for human consumption; this includes: all fresh and processed foods: fruits, vegetables, baked goods, jellies, jams, preserves, meats, eggs, dairy products, syrup, honey, cider, etc. (unless listed below).

Taxable Farm and Food Sales - When selling direct to consumer, you must collect sales tax on:

- Prepared foods intended for immediate on-site consumption
- Candy
- Soft drinks and fruit juices with less than 70% real juice
- All non-food products that are being sold to the end user
- Cut flower, bedding plants, trees, shrubs, and other nursery products
- Forest products, firewood, Christmas trees, lumber
- Fiber products (raw fleece or wool products when sold direct to end users)
- Hay, grain, straw (taxable if not being sold to another farmer)
- Horses sold for pleasure riding
- Ornamental crops like gourds, Indian corn, dried flowers, evergreens, etc.
- Crafts
- Topsoil, turf, gravel

Note: if these items are sold to someone else who will sell them directly to the public, you do NOT have to collect the sales tax, but you will need to file a resale certificate.

Becoming a Sales Tax Vendor - Form DTF-1 - Certificate of Authority

This means you are involved in the direct sale of products to consumers/end users and must collect sales tax if selling the above taxable items.

There are several types of sales tax vendors:

Regular Vendors - with a permanent location

Temporary Vendor – with sales in no more than 2 consecutive quarters in any 12-month period

Show Vendor - sells products at a flea market, craft fair, show, or farmers' market, on either a regular or temporary basis and does not have a permanent location

You cannot legally make taxable sales until you have received your valid Certificate of Authority. Apply for your Certificate of Authority at least 20 days before you begin operating your business. Your Certificate of Authority must be displayed prominently at your place of business or at fairs/markets. It is very important to keep detailed records of your taxable sales. Each transaction must include the item price and sales tax amount. Retain a copy of the receipt. Records should be kept for 3 years.

Filing Requirements: **You must file a return each quarter even if you had no sales.** Initially you will be classified as a quarterly filer. Monthly and annual filing options are available if you qualify. Do not forget to file as penalties are stiff.

NYS Dept. of Taxation and Finance Publication 750 - A Guide to Sales Tax in New York State

is very helpful and can be obtained by calling 800-462-8100 or on the website www.tax.state.ny.us

Walk-in Assistance is also available at district offices of NYS Dept. of Taxation & Finance between 9 AM - 5 PM Monday-Friday. Check the website above for the nearest office location.



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