

ASSEMBLY, No. 4323

STATE OF NEW JERSEY

219th LEGISLATURE

INTRODUCED JUNE 29, 2020

Sponsored by:
Assemblyman ERIC HOUGHTALING
District 11 (Monmouth)

SYNOPSIS

Broadens farm use sales tax exemption for receipts from sales of tangible personal property and production and conservation to farmer for use and consumption.

CURRENT VERSION OF TEXT

As introduced.



A4323 HOUGHTALING

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1 AN ACT revising the farm use sales tax exemption and amending
2 P.L.1980, c.105.

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4 BE IT ENACTED by the Senate and General Assembly of the State
5 of New Jersey:

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7 1. Section 28 of P.L.1980, c.105 (C.54:32B-8.16) is amended to
8 read as follows:

9 28. a. Receipts from sales of tangible personal property and
10 production and conservation services to a farmer for use and
11 consumption [directly and] primarily in the production, handling
12 and preservation for sale of agricultural or horticultural
13 commodities at the farming enterprise of that farmer are exempt
14 from the tax imposed under the "Sales and Use Tax Act."

15 b. The exemptions provided by subsection a. of this section
16 shall not apply to sales of:

17 (1) automobiles;

18 (2) energy; or

19 (3) materials used to construct a building or structure, other than
20 a silo, greenhouse, grain bin, or manure handling equipment.

21 c. For the purposes of this section:

22 "Agricultural or horticultural commodities" means tangible
23 personal property produced through the raising of plants or animals
24 useful to people, including but not limited to: forages and sod crops;
25 livestock; grains and feed crops; dairy animals and products;
26 poultry and poultry products; game animals and fur-bearing
27 animals; honey and other apiary products; the products of
28 aquaculture; trees and forest products; fruits, nuts and berries;
29 vegetables; and nursery, floral, ornamental and greenhouse
30 products; and

31 "Farming enterprise" means a facility used primarily for the
32 raising of agricultural or horticultural commodities for sale,
33 including but not limited to truck farms, ranches, orchards,
34 nurseries, greenhouses or other similar facilities.

35 (cf: P.L.1999, c.314, s.2)

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37 2. This act shall take effect immediately and apply to receipts
38 received from all sales made on or after the first day of the first full
39 calendar quarter next following enactment.

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STATEMENT

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44 This bill broadens the "farm use" sales tax exemption to provide
45 that receipts from the sale of tangible personal property and
46 production and conservation services to a farmer for use and
47 consumption *primarily* in the production, handling, and

1 preservation for sale of agricultural or horticultural commodities at
2 the farming enterprise of a farmer are exempt from the sales tax.

3 Under current law, the “farm use” sales tax exemption applies
4 only if the personal property and production and conservation
5 services sold to a farmer are for use and consumption *directly and*
6 *primarily* in the production, handling, and preservation for sale of
7 agricultural and horticultural commodities at the farming enterprise.