

# Sales tax exemption for farm use purchases

By News Staff, Waushara Argus, on Wednesday, October 7, 2020

One of the more frequent calls received by UW-Extension is from producers who are asking where they can get a tax exemption number for items purchased for their farming operation. What most people are referring to would be a Certificate of Exempt Status (CES) number. The simple answer is that the Wisconsin Department of Revenue (WDOR) does not issue CES numbers for people engaged in the business of farming.

There is still a lot of confusion about this. When purchasing farm items at businesses that deal primarily with farmers you normally tell the sales clerk that the item is for farm use and they will pull out a form check a couple boxes and you sign and date the back and you pay no sales tax. The form that is used is [Form S-211](#).

Farmers run into challenges when purchasing products at stores that don't sell a large number of products on a regular basis to farmers. At those stores the sales clerk will ask for a tax-exempt number which leads people to believe that they need to obtain one in order to purchase items for farm use without paying sales tax.

Items sold to the consuming public must be sold with state sales tax added. There are certain non-profit groups, branches of the state government and non-agricultural businesses that do have CES numbers and furnish those numbers when purchasing for their use.

Items or supplies that are purchased to be used in the production of raw products to later be sold to the public for consumption or further processed once purchased are exempt from sales tax. This applies to manufacturing businesses and farming which includes dairy farming, crop production, horticulture, floriculture, silviculture and custom farming services.

There are some restrictions in what can be purchased on a tax-exempt basis. The Wisconsin Department of Revenue has a detailed explanation of what qualifies as a tax-exempt purchase in [Publication 221](#).

This bulletin lists businesses that are classified as "farming" and also lists business that do not qualify as "farming". This detailed bulletin explains what does or does not qualify as a tax-exempt purchase and also lists qualifying purchases. Purchases used in repairing or improving real estate such as; fencing material, gates, barn door tracks, nails, lumber and paint (for farm buildings) are taxable purchases.

Farmers may not claim an exemption for the purchase of motor vehicles or trailers for highway use, lawn or garden tractors, snowmobiles or for items used for the personal convenience of the farmer. This certificate also cannot be used as an exemption for paying Wisconsin motor vehicle fuel tax.

For additional information: [Sales and Use Tax Exemptions](#), Wisconsin Department of Revenue

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