

Does Your Purchase, Lease, or Rental of Agricultural Machinery or Equipment Qualify for a Sales Tax Exemption? Dec. 1996

On or after January 1, 1993, anyone who purchases, leases, or rents agricultural equipment used in commercial agriculture, may file an exemption certificate and make the purchase without paying any Nebraska or city sales and use tax.

Items of property purchased pursuant to this exemption are subject to personal property tax.

What is Agricultural Machinery or Equipment?

It is machinery or equipment that is used for planting, tilling, harvesting, haying, fertilizing, or irrigating crops; and machinery or equipment used in raising or feeding livestock.

Items that DO Qualify for Exemption in Nebraska

- Tractors
- Combines
- Hay mowers
- Cultivators
- Harrows
- Plows
- Irrigation equipment
- Automatic feeders
- Truck chassis/cab modified to be a feed wagon
- Portable grain dryers
- Portable augers
- Tractor duals
- Hay balers
- Hay rakes
- Cultivators
- Disks
- Planters
- Grain bin equipment that dries or moves grain
- Stock racks
- Power washers
- Completed gates or panels
- Fish production equipment including feeding, and seining equipment
- Gestation crates
- Concrete hog slats / gang slats
- Hog cart
- Trash wheels
- Milking equipment
- Milk storage equipment on the farm location

Milk separators
Fertilizer nurse tanks
Fertilizer spreaders
Manure handling equipment
Crop dusting airplanes
ATVs and snowmobiles (only if used in commercial agriculture)
Working horses

Items that DO NOT Qualify for Exemption in Nebraska

Repair, replacement, or maintenance parts or items
Tires of any kind
Motor vehicles
Licensable trailers
Buildings
Structures, including those used for storage
Metal buildings
Redi Mix concrete
Portable calf sheds and huts
Hay sheds
Fences including fencing materials used to build a fence, gate or panel
Grain bin structure including walks, roof, floor, vents and ladders
Storage tanks
Fuel tanks of any kind
Tools including chain saws, post hole diggers, welders, and generators
Acetylene torches
Tanks used to store oxygen or acetylene
Air compressors
Hoists
Chains of any kind
Lawn mowers and lawn tractors
Antique farm equipment
Office equipment including computers
Two-way radios
Mobile telephones
Equipment not at the farm location used to load, store, weigh, clean, unload, and process raw products
Equipment used to dehydrate and pelletize alfalfa
Earth moving equipment

What is Commercial Agriculture?

Commercial Agriculture is the business of farming or ranching. It is the production of food products or other useful and valuable crops, or the raising of livestock. It includes commercial production in greenhouses, nurseries, tree farms, sod farms and feedlots.

It does not include the storage of agricultural products off the farm location or in commercial elevators, or the storage of livestock in stockyards or sale barns.

If you believe that your purchase of agricultural machinery or equipment qualifies for an exemption from sales tax, you must complete a Nebraska Sales and Use Tax Exemption Certificate, Form 13, and give it to the retailer.

The information provided on Form 13, will be provided to the county assessor of the county where the property will be listed for property tax purposes.

Source: Nebraska Department of Revenue