

ALABAMA DEPARTMENT OF REVENUE

SALES, USE & BUSINESS TAX DIVISION

SALES & USE TAX RULE

810-6-3-.20.01. Exemption Certification Form Respecting Fertilizers, Insecticides, Fungicides, and Seedlings (Form ST:EXC-1).

(1) When a retail purchaser purchases tangible personal property which is exempt from sales tax pursuant to Section 40-23-4(a)(2), (4), or (22) or use tax pursuant to Section 40-23-62(5), (7), or (23); the filing by said purchaser of a certificate in the following form shall relieve the seller of any obligation to collect sales or use tax on the items purchased in conjunction therewith:

ALABAMA DEPARTMENT OF REVENUE
SALES AND USE TAX DIVISION
EXEMPTION CERTIFICATION RESPECTING FERTILIZERS,
INSECTICIDES, FUNGICIDES, AND SEEDLINGS

Purchaser's Name: _____
Address: _____ City: _____ State: _____ Zip Code: _____
SCS Farm Number (if available): _____

I, the undersigned, hereby certify that the items of tangible personal property purchased from (name of retailer) _____ will be used for the exempt agricultural purposes described in subdivision (2), (4), or (22) of Section 40-23-4(a) or subdivisions (5), (7), or (23) of Section 40-23-62, Code of Alabama 1975, as amended, and therefore may be purchased without payment of sales or use tax under Alabama law. I am aware that liability for payment of any sales or use tax ultimately determined to be applicable with respect to the items so purchased will be the exclusive responsibility of the undersigned.

Signature: _____ Date: _____

(2) The form outlined in paragraph (1) shall be referred to as Form ST:EXC-1 Exemption Certification Respecting Fertilizers, Insecticides, Fungicides, and Seedlings and the following procedures should be followed in conjunction with the execution of said form:

- (a) all of the information requested on the form should be completed;
- (b) the seller should furnish a copy of the completed certificate, with sales receipt attached, to the purchaser; and
- (c) the seller should retain the original certificate and a copy of the sales receipt for a three-year period.

(3) The items enumerated in Section 40-23-4(a)(2), (4), and (22) and Section 40-23-62(5), (7), and (23) are exempt from sales and use tax when used for agricultural purposes regardless of whether Form ST:EXC-1 is executed in conjunction with purchases of such items. Liability for sales or use tax on such items will later arise only if the Revenue Department determines that the item purchased, in fact, was not used for agricultural purposes. In the absence of a properly executed Form ST:EXC-1, the seller is liable for sales or use tax later determined to be due in the event the "agricultural use" exemption claim is disallowed; however, by having the purchaser execute a Form ST:EXC-1 the seller can place upon the purchaser the exclusive responsibility for payment of any sales or use taxes later determined to be due. Whenever a seller feels that the purchaser's exemption claim is invalid, the seller should collect sales or use tax from the purchaser or have the purchaser execute a Form ST:EXC-1.

(4) The seller is not required to secure a Form ST:EXC-1 for each sale of exempt items to a farmer with an SCS farm number when said seller knows the items purchased will be used for exempt agricultural purposes. Instead, the seller may have the farmer complete an annual exemption certification form and keep the certificate on file and available for review by the Revenue Department along with other business records. The purchaser's SCS farm number can be used as a reference number on each sales invoice covered by the annual certification form. Such annual exemption certification forms should be reexecuted every 12 months.

(5) Form ST:EXC-1 may be incorporated into the sales invoice if it contains substantially the same information as provided for on the certification form. This may be done by (i) including the certification form on the sales invoice at the time of printing or (ii) by designing and using a rubber stamp to add the information to the sales invoice. Other methods which accomplish the same result as the exemption certification form may also be used. (Section 40-23-4.3) (Adopted through APA effective March 24, 1993)

[Numeric Index](#)