

1 212.08 Sales, rental, use, consumption, distribution,
2 and storage tax; specified exemptions.--The sale at retail,
3 the rental, the use, the consumption, the distribution, and
4 the storage to be used or consumed in this state of the
5 following are hereby specifically exempt from the tax imposed
6 by this chapter.

7 (5) EXEMPTIONS; ACCOUNT OF USE.--

8 (e)1. Gas used for certain agricultural
9 purposes.--Butane gas, propane gas, natural gas, and all other
10 forms of liquefied petroleum gases are exempt from the tax
11 imposed by this chapter if used in any tractor, vehicle, or
12 other farm equipment which is used exclusively on a farm or
13 for processing farm products on the farm and no part of which
14 gas is used in any vehicle or equipment driven or operated on
15 the public highways of this state. This restriction does not
16 apply to the movement of farm vehicles or farm equipment
17 between farms. The transporting of bees by water and the
18 operating of equipment used in the apiary of a beekeeper is
19 also deemed an exempt use.

20 2. Electricity used for certain agricultural
21 purposes.--Electricity used directly and exclusively for
22 production or processing of agricultural products on the farm
23 is exempt from the tax imposed by this chapter. This exemption
24 applies only if the electricity used for the exempt purposes
25 is separately metered. If the electricity is not separately
26 metered, it is conclusively presumed that some portion of the
27 electricity is used for a nonexempt purpose, and all of the
28 electricity used for such purposes is taxable.

29 Section 3. This act shall take effect July 1, 2006.
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STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
COMMITTEE SUBSTITUTE FOR
Senate Bill 1646

Clarifies that the electricity must be used directly and
exclusively in agricultural production or processing in order
to be exempt for sales tax.