

Certificate Must Be On File
**Sales Tax Change Impacts Farmers,
Could Affect Electricity Sales Exemption**

Recent changes in Tennessee's agricultural exemptions from sales and use tax, which will become effective January 1, 2008, could affect farmers, timber harvesters and nurserymen using electricity in the production of food or fiber for human or animal consumption or aid in growing of horticultural products for sale.

According to the Tennessee Department of Revenue's web site, www.tennessee.gov/revenue/misc/farmerexemption.htm, the previously imposed 1.5 percent state sales tax that applied to these qualified users has been repealed and those qualifying will now be completely exempt from sales tax. *However, farmers, timber harvesters and nurserymen must present the exemption certificate or card issued by the state Department of Revenue that contains their exemption number to their local Duck River Electric office.* A copy of the certificate or card will be made and maintained on file by the cooperative for all future billings to those qualifying accounts.

Failure to bring the certificate or card by the DREMC office will cause the sales tax for those specific accounts to be raised to 7 percent until such time as the certificate has been brought in and copied for the file. Farmer affidavits previously filed with DREMC are not valid for purchases made after December 31, 2007, according to the Department of Revenue.

If a farmer, timber harvester or nurseryman failed to receive the certificate from the Department of Revenue, an application for the new exemption certificate is available from the Revenue Department's web site: www.tennessee.gov/revenue.