

Sales Tax: Exemptions for Farm Product Sales

NC STATE EXTENSION

Farm Law for Operators and Landowners

Introduction

Sales Taxes are reportable on the sale of many goods and services. Such taxes also become an expense when purchasing inputs for business and personal use. In North Carolina, agricultural products and the purchase of inputs enjoy various exemptions. However, such exemptions have their limit, and it is important to understand when a particular product fails to meet the exemption. Likewise - regarding exemption from sales tax on inputs - North Carolina producers need to be aware of income maintenance requirements for the exemption.

For farm operations, most products sold from the farmer direct-to-buyer are exempt from sales taxes, in that the customer neither pays the tax nor the farm operator is required to remit the tax. However, a change in the nature of the farm product sold and where it is sold in combination with other products may trigger a sales tax requirement. Also, if the farmer loses their status as producer of the item sold and is considered a retailer of the item, exemptions are lost. This short paper seeks to clarify the line of when a farmer must remit sales tax for products sold, as well as the responsibilities of farmers and specialty markets.

Sales Taxes Generally

Taxes on sales of products and some services are a major source of public revenue for counties and municipalities, with the county or municipal school system the primary beneficiary.¹ A seller of a product or service is required to collect sales tax from the purchaser at a rate applied to the purchase price. The NC sales tax statute defines “sale” as “[t]he transfer for consideration of title, license to use or consume, or possession of tangible personal property or certain digital property or the performance for consideration of a service.”² The term “sales price” is defined as “[t]he total amount or consideration for which an item is sold, leased, or rented... in the form of cash, credit, property, or services... valued in money, regardless of whether it is received in money.”³

The sales tax applied to a sale at *retail*⁴ is the combination of the state general sales tax rate plus a local rate charged by the county or municipality. The state general tax rate is set by statute at .0475 (4.75%).⁵ The local sales taxes vary slightly by county from 2.25% to 2.5%, and are built from four [4] successive increments (1% + .5% + .5% + .25%) authorized by several statutes.⁶ Such local taxes are approved by voter referenda, and voters in all NC counties have approved the first three increments.⁷ In addition, there is a 0.5% transit tax available to local governments, favored by urban

counties (presently Durham, Wake, Orange, and Mecklenburg).⁸ The total is the sales tax rate generally applied to the gross sales of any retail product and services (with some variations by statute).⁹

The 2% Local Tax on Food

Food is generally exempted from application of the state 4.75% sales tax, and thus subject only to the local tax rate.¹⁰ The local rate may apply to food (unless excepted under the “producer/original state” exception). The North Carolina general statutes define “food” as “[s]ubstances that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value... [t]he substances may be in liquid, concentrated, solid, frozen, dried, or dehydrated form.”¹¹

The local food tax is not a state tax per se, but comes from the sum of the voter-approved local taxes described above. The “food tax” is calculated at 2% due to a statutory prohibitions on applying the “One-Quarter Cent” county tax (0.25%)¹² and the “local transit tax” (0.50%)¹³ increments that make up the local tax rate (see explanation above). Note that this prohibition applies only to food that is exempted from the state tax rate; for foods subject to the state tax rate (i.e. sold by a retailer and excepted from exemption), the full local tax (including the transit tax) will apply. This becomes evident when considering value-added products made from multiple ingredients as well as prepared food, explored below.

It may be helpful to understand the 2% food tax envisioning its application to “single ingredient” foods sold by someone other than their producer, or someone classified as a retailer. Also included will be produced foods to which something has been added, but still retains its primary food identity, such as salt added to shelled peanuts. For most value-added foods where multiple ingredients have been mixed to produce a product that takes a different form from its main source ingredient, such as jams, jellies, sauces, etc., such foods become subject to the state sales tax plus the full weight of all local tax, including the transit tax, regardless of whether made by a farmer from ingredients on their farm. Prepared and cooked foods (explored below) are also subject to the state sales tax and the full local sales tax (i.e. 4.75% + 2.25% (or 2.50%) depending on county).

The “Exemption” from State and Local Food Tax: Original Product Sold by its Producer

A food item produced on a farm and sold by its producer in its original state to a customer using the product for food or an agricultural purpose is exempt both from the state sales tax and local food tax.¹⁵ Likewise, sales of aquaculture products, including finfish, crustaceans and oysters, and any species of fish wild-caught by the person who caught them are exempt.¹⁶ Such items are free from all sales tax only if sold in their original form (not processed with other ingredients) by their producer, who does not charge any sales tax to the purchaser. However, once the item in its original form is

modified with ingredients not produced by that producer, the sale becomes subject to the local 2% food tax (described above). As explored below, this is only so long as the seller remains classified as a producer. In other words, any additional value added to the product as a food item removes the full exemption and makes the sale subject to a local 2% food tax. Remember this 2% tax applies to foods principally identified as the main ingredient.

Below are examples of Exempt sales of products in considered to be in their original state sold by their producer:

- Raw nuts, fruits and vegetables
- Raw nuts, fruits and vegetables cut and packaged for consumer convenience (e.g. shelled beans, raw corn off the cob, salad mix, shelled pecans)
- Live animals
- Pasteurized milk and eggs
- Herbs and loose cut flowers (not in an arrangement)
- Fish or shellfish (live or frozen) sold by their producer (or catcher/harvester)

Examples of “value added” (processed) items sold by producer but subject to 2% food tax include:

- Raw cuts of meat
- Sausage and bacon
- Vegetables packaged with extra ingredients such as seasoning
- Processed dairy products (e.g. cheese, butter)

Again, all products identified above, when sold by someone other than their producer or someone classified as a retailer, are subject to the 2% food tax.

Put simply: raw products in their original form, as well as those products packaged for consumer convenience such as shelled beans or salad mix without additional ingredients not produced by that farmer/seller, are free from tax if grown by the farmer/seller. Once the farmer/seller introduces any product they did not themselves grow, such items become subject to the local food tax (but still not subject to the state 4.75% sales tax.)¹⁷

As explored below, it is helpful to understand that - for application of the 2% rate only - the food is that of a “single ingredient,” whether whole or cut up for consumer convenience. Meat (ground, in cuts, etc), vegetables, fruit, eggs, milk, etc. even when sold by a retailer are only subject to the 2% tax, up to the point where they are cooked or combined with other food items.

Losing the Exemption: Producer vs. Retailer

Whether the sale of a food product is tax exempt also depends on whether it is sold by its producer or whether it is sold by someone who did not produce the item. Except for most unprepared food items, sales by retailers are subject to the full state and local sales tax rate (with some exceptions explored below).

A seller is classified as a producer when the majority of product sold is produced by them on their farm. The NCDOR states that farmers “are selling primarily as producers when the total dollar sales volume of their produced farm products in the original state regularly exceeds 50% of the total dollar sales volume of their purchased products and their produced products.”¹⁸ Such producers may also sell items purchased from other producers for resale, but the sale of those items (which they did not produce) is subject to the local food tax (2%) (as described above).

The producer seller must maintain records to differentiate the sales of their produced items and those produced by others. Such records “must be kept and maintained in a manner that can be accurately and conveniently checked by the agents of the Secretary.”¹⁹ If such records are not available, the NCDOR position is that all sales are subject to the state and local retail tax.²⁰ As noted below, specialty market (e.g. farmer’s market) managers are required to keep copies of their vendors’ records.

Here is an example of a farmer who would be classified as a producer:

Paul operates Yesterday Farm, and sells products he grows at the local farmers market in Orange County. Paul sells only produce from his farm. His total sales on that day are \$1000. All sales exempt from sales tax.

At next week’s market, Paul buys and sells raw products which he purchases from Richard’s Octopus Garden Farm, which bring \$300. His own product sales remain the same.

Note the ratio of Paul’s sales ($\$1000 + \$300 = \$1300$; $300/1300 = 23\%$) means he remains primarily a producer. Therefore the \$1000 sales of own product remains exempt from tax. However, he must collect tax on the sales of Richard’s products, which are subject to the food tax aggregated as follows: $\$300 \times (2\%) = \6 total tax on gross sales. (of course, Paul is charging 2% on each sale)

Note also that Paul must maintain records to differentiate the products which were exempt, and those to which he added the 2% tax.²¹

A challenge emerges when the gross sales of products sold by a seller come primarily from items not produced by the seller. Generally, a person selling a combination of items they produced and items they purchased for resale will lose their status as producer when the gross sales of the latter

“regularly exceed” fifty percent of gross sales.²² Unfortunately, “regularly exceed[s]” is not defined with more specificity. If the seller loses their status as producer, even the products they produce will lose both the farm producer exemption (though some items are still only subject to the 2% food tax).

Expanding on the above example:

Paul has a great spot at the market, and the market rules allow him to position as a reseller of other producer’s products.

Paul’s sales of his own product drop to \$500. His sales of Ringo’s product goes up to \$500. Paul adds strawberries from John’s Strawberry Fields Farm, resulting in \$1000 in sales. He also resells vegetables from George’s Gently Weeping Farm for \$1000.

Paul’s total sales are now \$3000, of which \$500 are from products he produced, meaning that he is selling 74% products he did not produce. If this is a short term thing, Paul is likely still able to exempt his \$500 product sales, while collecting sales tax (2% local) on Ringo’s, John’s and George’s farm products. Again, Paul must keep separate records to substantiate his exemption.

However, if Paul does this repeatedly during the course of the season (it becomes “regular”) he loses his status as producer and becomes a retailer. At this point, when the NCDOR pays a visit to the market and audits the records kept by the market (see below), Paul will be classified as a retailer and will owe sales tax on all of his gross receipts (presumably from the time he sold more of other people’s product than his own).

As discussed below, it will be the responsibility of the market manager to keep the records of its vendors for inspection by an NCDOR agent when they arrive to audit.

Full Taxation: Value-Added and Prepared Food

The North Carolina general statutes define “food” as “[s]ubstances that are sold for ingestion or chewing by humans and are consumed for their taste or nutritional value... [t]he substances may be in liquid, concentrated, solid, frozen, dried, or dehydrated form.”²³ Again, the 2% local “food” tax that

is applied to a broad range of qualifying food items, and these qualifying food items can be looked upon as “single ingredient” or the food item in its natural state. Once two or more single ingredients are combined, the resulting food item falls under the definition of “prepared food.”²⁴

Prepared food is defined by statute as:

- sold in a heated state or it is heated by the retailer.
- consists of two or more foods mixed or combined by the retailer for sale as a single item.
- sold with eating utensils provided by the retailer, such as plates, knives, forks, spoons, glasses, cups, napkins, and straws. (A plate does not include a container or packaging used to transport the food)²⁵

Note that single ingredient food items that are cut or sliced for consumer convenience are not considered prepared food and are only subject to the 2% local tax. Prepared food does not benefit from the general exemption for food from the state 4.75% tax, and is also subject to the full local tax (i.e. including the transit tax and 1/4¢ tax).²⁶

Note that the prepared food concept does not concern whether it is sold by a producer or a retailer. The NCDOR takes the position that salsas, jellies and jams, sauces, pickles and the like - even those sold with ingredients produced on the farm of the seller - are prepared food and therefore subject to the full state and local tax.

Expanding on the above example concerning Paul's farmers market sales:

Paul uses Richard's strawberries for several purposes. One is that he prepares bagged fruit mixes of Richard's strawberries, diced cantaloupe grown by George, and blueberries that he grows on his farm. To apply the food tax correctly, Paul must keep good records demonstrating the percentages of these three items in each single sale. Because the strawberries and cantaloupe are not grown on his farm (and because these still retain their single food ingredient identity), Paul must apply 2% food tax to the percentage of the sale price attributed to these items, while not applying tax to the portion of the fruit mix comprised of his blueberries.

Paul also uses Richard's strawberries to make jams, which he sells at his stall. Regardless of where the strawberries came from, this is a prepared food and thus subject to both the state sales tax (4.74% and the local sales tax for his county).

Baked Goods

Baked goods - which of course are foods made from a combination of ingredients and cooked - are subject only to the local 2% food tax rate, unless considered prepared food which makes them subject to full state and local tax (i.e. 7.5%). A baked good item becomes prepared food when it meets the definition provided by SUTB 32-3 (see above). However, there is an exception for baked goods sold by an “artisan bakery” without utensils, and such items are taxed at the local 2% food tax rate. According to statute, “[t]he term “bakery item” includes bread, rolls, buns, biscuits, bagels,

croissants, pastries, donuts, danish, cakes, tortes, pies, tarts, muffins, bars, cookies, and tortillas.”²⁷ An “artisan bakery” is defined as one that derives more than 80% of its sales from bakery items, and does not gross more than \$1,800,000 in a year.²⁸

Note importantly that for artisan bakeries, simply making utensils available causes the baked goods to lose their status as non-prepared foods. Examples of “utensils being made available” to purchasers include plates, knives, forks, spoons, glasses, cups, napkins, and straws being placed on individual tables, on a common counter area, or in another area where the utensils are accessible to the purchaser without assistance.²⁹ This would appear to capture any situation where packaged plastic utensils (e.g. in a package with napkin) are available anywhere in the store for the customer to pick up at their leisure.

Farmer’s Responsibilities (as Vendor)

Farmers and other vendors at the farmer’s market are “specialty market vendors.”³⁰ A seller at a specialty market who sells “tangible personal property at a specialty market, other than the person’s own household personal property...is considered a retailer” and must obtain a certificate of registration from the NC Department of Revenue.³¹ Registration may be made online by filling out Form NC-BR.³² The vendor must display the certificate of registration at their stall.³³ As a retailer, the vendor is responsible for remitting state and local taxes.³⁴

The farmer who only sells unprocessed product produced on their farm is not required to display a certification.³⁵ Likewise, a farmers market vendor who sells “Ice, seafood, meat, poultry, livestock, eggs, dairy products, bread, cakes, or pies,” and likewise wood for sale.³⁶ (Note that several of these items are subject to the 2% tax rate.) However, the exempt farmer must display a statement that the products were grown by them OR display their qualifying farmer certificate.³⁷

Of course, when the farmer sells products purchased from another farm (which are subject to the 2% food tax), the farmer must register as they have at that point become a retailer as to those goods, and must register and display the certificate.

(Note that sellers [“peddlers”] of crafts and goods they have made are not required to display the certificate, though presumably these non-food items are subject to state and local sales tax)

Farmers Market Responsibilities

Farmers markets are considered “specialty markets” under NC statute.³⁹ Though the statute suggests the farmers market itself must apply for and display a certificate of registration if it is selling products, the qualification of “if any” indicates this may be true only if the specialty market *itself* is selling goods (clothing with images supporting the market).⁴⁰ NCDOR’s web guidance on

"Responsibilities of the Specialty Market or Event Operator [<https://www.ncdor.gov/taxes-forms/sales-and-use-tax/specialty-markets-or-other-events#4>]" does not mention the need for the market to register.

The operator of a specialty market is defined as "[a] person, other than the State or a unit of local government, who rents space, at a location other than a permanent retail store, to others for the purpose of selling goods at retail or offering goods for sale at retail."⁴¹ Regarding farmers markets, this can create some confusion based on how the market is organized and staffed.

If the market is organized as a private entity (i.e. an association or incorporated not-for-profit organization), that entity is the manager. While it is not uncommon for a public employee (e.g. a local N.C. Cooperative Extension agent) to run the market, that is a matter of staffing and does not change the identity of the operator. If on the other hand the local government considers itself the organizer of the market, this would appear to exempt it from record-keeping requirements.

A specialty market operator or operator of an event where space is provided must maintain a daily registration list of all specialty market or other vendors selling or offering goods for sale at the specialty market or other event. This registration list must clearly and legibly show each vendor's name, permanent address, and certificate of registration number.⁴²

The specialty market operator must ensure that each vendor present their certificate of registration for visual inspection by the specialty market operator, require each vendor to keep the certificate of registration conspicuously and prominently displayed for patrons to see. This list must be kept by the operator for at least two years. Paradoxically, though farmers who are sales-tax exempt for selling only their own production are not required to display a registration, the specialty market is nonetheless required to keep a registration list.⁴³ That said, for farmers selling entirely their own product, this is the guidance NCDOR (referenced above) provides on [its website](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/specialty-markets-or-other-events#4) [<https://www.ncdor.gov/taxes-forms/sales-and-use-tax/specialty-markets-or-other-events#4>]:

*A person that only sells products of the farm produced by the person must provide a **written statement attesting that the items were produced by the person** or provide the **qualifying farmer or conditional farmer exemption number** issued to the person, as a farmer, by the Department to the specialty market operator or operator of an event. The certified statement or the qualifying farmer or conditional farmer exemption number obtained by the specialty market operator or operator of an event is required to be kept in conjunction with the daily registration list.*

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Endnotes

¹ N.C.G.S. §105-164.2. [↗](#)

² N.C.G.S. §105-164.3 (235). “Consideration” in this context means money or a trade of value. [↗](#)

³ N.C.G.S. §105-164.3 (237) [↗](#)

⁴ [N.C.G.S. §105-164.3\(227\)](#)

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.3.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.3.pdf) defines “retail sale” as “[t]he sale, lease, or rental for any purpose other than for resale, sublease, or subrent.” [↗](#)

⁵ [N.C.G.S. §105-164.4](#)

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.4.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.4.pdf) [↗](#)

⁶ [N.C.G.S. §105-463](#)

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_39.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_39.pdf)

(“First One-Cent” or 1.0%); N.C.G.S. §105-480

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_40.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_40.pdf)

(“First One-Half Cent” [$\frac{1}{2}$ ¢] or .5%); N.C.G.S. §105-495

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_42.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_42.pdf)

("Second One-Half Cent" [1/2 ¢] or .5%); and N.C.G.S. N.C.G.S. §105-53
[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_46.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_46.pdf)⁷
 ("One-Quarter Cent" [14¢] or .25%) ┐

⁷ For list of county tax rate, see the North Carolina Department of Revenue website
[\[https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-rates-other-information/sales-and-use-tax-rates-effective-october-1-2020\]](https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-rates-other-information/sales-and-use-tax-rates-effective-october-1-2020) (subtract the posted rate by 4.75% to get the local rate) ┐

⁸ See N.C.G.S. §105-506
[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_43.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/ByArticle/Chapter_105/Article_43.pdf) et seq. Note that the transit tax may not apply to food sales per §105-506.2. ┐

⁹ See §105-164.13 which lists exemptions and variations. ┐

¹⁰ N.C.G.S. § 105-164.13B(b)
[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.13B.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-164.13B.pdf) ┐

¹¹ N.C.G.S. §105-164.3(89) ┐

¹² N.C.G.S. §105-538
[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-538.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_105/GS_105-538.pdf).
 ("A tax levied under this Article does not apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B...") ┐

¹³ N.C.G.S. §105-506.2. ("Exemption of food. A tax levied under this Article does not apply to the sales price of food that is exempt from tax pursuant to G.S. 105-164.13B...") ┐

¹⁴ See *Understanding Sales and Use Taxes on Agricultural Products*
[\[https://www.ncdor.gov/documents/fact-sheets/understanding-sales-and-use-taxes-agricultural-products/open\]](https://www.ncdor.gov/documents/fact-sheets/understanding-sales-and-use-taxes-agricultural-products/open) (NCDOR, updated 2015). ┐

¹⁵ N.C.G.S. §105-164.13 (4b). Exempted are "[p]roducts of a farm sold in their original state by the producer of the products if the producer is not primarily a retail merchant and ice used to preserve agriculture, aquaculture and commercial fishery products until the products are sold at retail." ┐

¹⁶ N.C.G.S. §105-164.13 (7) ┐

¹⁷ N.C.G.S. §105-164.13B ┐

¹⁸ 17 NCAC 07B .2801(d) ┐

¹⁹ 63-3(6)(b) Sales and Use Tax Bulletin (SUTB) [\[https://www.ncdor.gov/sutb-2021-final/pdf-0/open\]](https://www.ncdor.gov/sutb-2021-final/pdf-0/open), NC Department of Revenue (April 2022). ┐

²⁰ 17 NCAC 07B .2801(f) [\[http://reports.oah.state.nc.us/ncac/title%2017%20-%20revenue/chapter%2007%20-%20sales%20and%20use%20tax/subchapter%20b/subchapter%20b%20rules.pdf\]](http://reports.oah.state.nc.us/ncac/title%2017%20-%20revenue/chapter%2007%20-%20sales%20and%20use%20tax/subchapter%20b/subchapter%20b%20rules.pdf). ("Records of

purchased products, as well as sales thereof, must be kept and maintained in a manner that can be accurately and conveniently checked by the agents of the Secretary of Revenue; otherwise, all sales are subject to the tax.”) ²¹

²¹ Refer to 63-6(6)(a) ²²

²² 17 NCAC 07B .2801(d). See also 63-3(2) SUTB. Note that “regularly exceed” is not defined. ²³

²³ N.C.G.S. §105-164.3(89) ²⁴

²⁴ N.C.G.S. § 105-164.3(179). This sub-subdivision does not include foods containing raw eggs, fish, meat, or poultry that require cooking by the consumer as recommended by the Food and Drug Administration to prevent food borne illnesses. ²⁵

²⁵ Id. ²⁶

²⁶ For definitions of prepared food, see SUTB 32-1 ²⁷

²⁷ N.C.G.S. § 105-164.13B(a)(4) ²⁸

²⁸ SUTB 32-3(C) ²⁹

²⁹ SUTB 32-3(C)(2) ³⁰

³⁰ N.C.G.S. § 66-250(6)

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-250.pdf]. (“A person, other than the State or a unit of local government, who rents space, at a location other than a permanent retail store, to others for the purpose of selling goods at retail or offering goods for sale at retail.”) ³¹

³¹ N.C.G.S. § 66-252

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-252.pdf]. ³²

³² Available on the North Carolina Department of Revenue website [<https://www.ncdor.gov/taxes-forms/sales-and-use-tax/sales-and-use-tax-forms-and-certificates/registration-applications/form-nc-br-business-registration-application-income-tax-withholding-sales-and-use-tax-and-other>]. ³³

³³ SUTB 30-2(D) ³⁴

³⁴ See N.C.G.S. §105-164.4. ³⁵

³⁵ N.C.G.S. § 66-256(1)(a)

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-256.pdf]. ³⁶

³⁶ N.C.G.S. § 66-256(1)(

[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-256.pdf]) ³⁷

³⁷ SUTB 30(D)(2). (“The person only sells products of the farm produced by that person and conspicuously displays a copy of a written statement certifying that the person produced the products or a copy of a qualifying or conditional farmer exemption certificate.”) ³⁸

³⁸ N.C.G.S. § 66-256(1)(

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-256.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-256.pdf)^{b)}

↵

³⁹ N.C.G.S. § 66-250(4).

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-250.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-250.pdf). (“A location, other than a permanent retail store, where space is rented to others for the purpose of selling goods at retail or offering goods for sale at retail.”) ↵

⁴⁰ N.C.G.S. § 66-252(a).

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-252.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-252.pdf) ↵

⁴¹ N.C.G.S. § 66-250(5).

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-250.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-250.pdf) ↵

⁴² N.C.G.S. § 66-255.

[\[https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-255.pdf\]](https://www.ncleg.gov/EnactedLegislation/Statutes/PDF/BySection/Chapter_66/GS_66-255.pdf) ↵

⁴³ Id. (“For purposes of the registration list, the exemptions in G.S. 66-256 do not apply.”) ↵

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