National Sales Tax Study

The following information was gathered for the alpaca industry in a study commissioned by the joint Government & Industry Relations Committee of Alpaca Registry, Inc. (ARI) and Alpaca Owners & Breeders Association (AOBA).

Although alpacas were recently designated as livestock in several sections of the U.S. Farm Bill, laws in each state vary with regard to this designation and sales tax. This document is intended as a resource to help alpaca owners understand the laws in their state regarding sales tax on animals and the state definition of livestock. The study was conducted in the spring of 2008. Laws are subject to change. AOBA and ARI make no recommendations on how this data can or should be used.

Alabama

Sales Tax Exemption: All sales of livestock are exempted from sales tax.

Livestock Definition: Livestock shall mean cattle, swine, sheep, goats and members of the euquidae family (such as horses, mules, donkeys); animals other than those enumerated do not fall within the term livestock

Arizona

Sales Tax Exemption: Neat animals, horses, asses, sheep, ratites, swine or goats used or to be used as breeding or production stock, including sales of breedings or ownership shares in such animals used for breeding or production.

Livestock Definition: Livestock defined as cattle, equine, sheep, goats, and swine except feral pigs.

Arkansas

Sales Tax Exemption: Sale of livestock, poultry, poultry products.

Livestock Definition: Livestock includes cattle, horses, mules, sheep, hogs and any other animals kept for commercial use or profit.

California

Sales Tax Exemption: Any form of animal life, the products of which ordinarily constitute food for human consumption.

Livestock Definition: Definition of livestock not relevant

Colorado

Sales Tax Exemption: Sales and purchases of livestock.

Livestock Definition: “Livestock” means cattle, horses, mules, burros, sheep, lambs, poultry, swine, ostrich, llama, alpaca, and goats, regardless of use, and any other animal which is raised primarily for food, fiber, or hide production.

Connecticut

Sales Tax Exemption: Tangible personal property exclusively for use in agricultural production if farmer qualifies for and has been issued a farmer's tax exemption permit.

Livestock Definition: No further definition found.

Florida

Sales Tax Exemption: Livestock and poultry and other farm products sold directly by the producer.

Livestock Definition: Livestock includes all animals of the equine, bovine or swine class including goats, sheep, mules, horses, hogs, cattle, ostriches and other ratite species, and other grazing animals raised for commercial purposes.

Georgia

Sales Tax Exemption: Sale of cattle, hogs, sheep, horses, poultry, or bees when sold for breeding purposes.

Livestock Definition: No further definition found.

Hawaii

Sales Tax Exemption: No specific exemptions for livestock farms in general.

Livestock Definition: No further definition found.

Idaho

Sales Tax Exemption: The sales of livestock at livestock markets.

Livestock Definition: Livestock includes cattle, calves, sheep, mules, horses, swine and goats.

Illinois

Sales Tax Exemption: Sale of bulls, stallions or other servicing animals for breeding purposes.

Livestock Definition: No further definition found.

Indiana

Sales Tax Exemption: Transactions involving animals are exempt if the person acquires it for his direct use in the direct production of food and food ingredients or commodities for sale or for further use in the production of food and food ingredients or commodities for sale; and the person is occupationally engaged in the production of the food, food ingredients or commodities which he sells…Note Letter of Finding: alpaca fleece is an agricultural commodity no different than sheep or lamb's wool.

Livestock Definition: No further definition found.

Iowa

Sales Tax Exemption: Agricultural breeding livestock or livestock purchased for resale.

Livestock Definition: Livestock means domestic animals which are raised on a farm as a source of food or clothing.

Kansas

Sales Tax Exemption: Sales of animals, fowl and aquatic plants and animals, the primary purpose of which use in agriculture or aquaculture, the production of food for human consumption, the production of animal, dairy, poultry or aquatic plant and animal products, fiber or fur or the production of offspring for use for any such purpose.

Livestock Definition: No further definition found.

Kentucky

Sales Tax Exemption: Llamas and alpacas to be used as beasts or burden or in an agricultural pursuit for the breeding and production of hides, breeding stock, fiber and wool products, meat, and llama and alpaca by-products.

Livestock Definition: No further definition found.

Louisiana

Sales Tax Exemption: Sales of livestock, poultry, and other farm products direct from the farm by producers; every agricultural commodity.

Livestock Definition: No further definition found.

Maine

Sales Tax Exemption: Products used in animal agriculture. Sales of breeding stock, semen, embryos, feed, hormones, antibiotics, medicine pesticides and litter for use in animal agriculture production.

Livestock Definition: Livestock includes animals kept or raised primarily to produce other agricultural products such as sheep, llamas and alpacas that produce wool.

Maryland

Sales Tax Exemption: Sales for agricultural purposes of livestock, including poultry, are not taxable. Also exempt are sales of feed or bedding for livestock.

Livestock Definition: No further definition found.

Massachusetts

Sales Tax Exemption: (a) Livestock, and poultry of a kind which ordinarily constitute food for human consumption; (b) feed, including the bags in which the feed is customarily contained, for livestock and poultry of a kind which ordinarily constitute food for human consumption or are to be sold in the regular course of business or for fur-bearing animals, the pelts of which are sold in the regular course of business.

Livestock Definition: No further definition found.

Michigan

Sales Tax Exemption: Tangible personal property used or consumed in the tilling, planting , caring for or harvesting of things of the soil; in the breeding, raising or caring for livestock, poultry or horticultural products, including transfers of livestock, poultry or horticultural products for further growth.

Livestock Definition: Livestock includes, but is not limited to cattle, sheep, new world camelids.

Minnesota

Sales Tax Exemption: Sales and purchases of the following animals are not taxable: … llamas - members of the genus lama raised for the purpose of producing fiber, meat, or animal by-products or as breeding stock. The purchase of animals that will be used in agricultural production is exempt; agricultural production included the raising of pets, livestock, etc.

Livestock Definition: Livestock means cattle, sheep, swine, horses intended for slaughter, mules and llamas (*as previously defined)*.

Mississippi

Sales Tax Exemption: Sales of mules, horses and other livestock. The sales by producers of livestock, poultry, fish or other products of farm, grove or garden.

Livestock Definition: No further definition found.

Missouri

Sales Tax Exemption: Sales of livestock, animals or poultry used for breeding or feeding purposes. All livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock or the seller is engaged in the business of buying and selling such livestock.

Livestock Definition: Livestock includes alpacas.

Nebraska

Sales Tax Exemption: Sale of any form of animal life of a kind, the products of which ordinarily constitute food for human consumption.

Livestock Definition: No further definition found.

Nevada

Sales Tax Exemption: Any form of animal life of a kind the products of which ordinarily constitute food for human consumption.

Livestock Definition: No further definition found.

New Jersey

Sales Tax Exemption: Tangible personal property for use and consumption primarily for raising of agricultural or horticultural commodities for sale. Agricultural or horticultural commodities means tangible personal property produced through the raising of plants or animals useful to people, including but not limited to: livestock; game animals and fur bearing animals.

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Livestock Definition: No further definition found.

New Mexico

Sales Tax Exemption: Selling livestock and receipts of growers, producers, trappers or nonprofit marketing associations from selling live poultry, unprocessed agricultural products, hides or pelts.

Livestock Definition: Livestock includes: those other domestic animals raised or used principally for one or more of the following purposes in the ordinary course of business: fiber, hides or pelts, such as sheep for wool; breeding stock.

New York

Sales Tax Exemption: Tangible personal property, whether or not incorporated in a building or structure, for use or consumption predominantly either in the production for sales of tangible personal property by farming or in a commercial horse boarding operation, or in both. "Predominantly" means that, in order to be exempt, the tangible personal property must be used more than 50% of the time directly in the production phase of farming.

Livestock Definition: Livestock includes wool bearing animals such as alpacas and llamas.

North Carolina

Sales Tax Exemption: Any of the following items sold to farmer for use by the farmer in planting, cultivating, harvesting, or curing of farm crops or in the production of dairy products, eggs, or animals. A farmer includes a livestock farmer

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Livestock Definition: No further definition found.

North Dakota

Sales Tax Exemption: Sales for human consumption of food and food products; sales of feed which is fed to poultry or livestock, including breeding stock and wool bearing stock.

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Livestock Definition: No further definition found.

Ohio

Sales Tax Exemption: Sales to persons engaged in farming (or) agriculture of personal property for use of consumption directly in the production by farming (or) agriculture. Farming includes the raising of farm livestock where the purpose is to sell suck livestock or the products.

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Livestock Definition: Livestock means farm animals commonly raised for food or food production, and includes but is not limited to cattle, sheep, goats, swine and poultry.

Oklahoma

Sales Tax Exemption: Livestock, including cattle, horses, mules or other domestic or draft animals sold by the producer by a private treaty or at a special livestock sale.

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Livestock Definition: Livestock includes American bison, emus, ostriches and llamas.

Pennsylvania

Sales Tax Exemption: The purchase of items of tangible personal property to be used predominantly and directly in farming operations. Livestock

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Livestock Definition: No further definition found.

Rhode Island

Sales Tax Exemption: Sale of livestock and poultry of the kinds of products of which ordinarily constitute food for human consumption and of livestock of the kind of products of which ordinarily constitute fibers for human use.

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Livestock Definition: No further definition found.

South Carolina

Sales Tax Exemption: The sale of livestock is exempt.

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Livestock Definition: Livestock is defined as domesticated animals customarily raised on SC farms for use primarily as beasts of burden, or food, and certain mammals when raised for their pelts or fur.

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South Dakota

Sales Tax Exemption: Livestock, when sales are part of series of transactions to produce a finished product to be sold at retail.

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Livestock Definition: No further definition found.

Tennessee

Sales Tax Exemption: Proceeds from the sale of livestock, poultry, nursery stock, or other farm products by the farmer or nursery operator are exempt. If the farmer produced at least 50% of the products, then 100% of the proceeds are tax exempt.

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Livestock Definition: No further definition found.

Texas

Sales Tax Exemption: Horses, mules, work animals, and any form of animal life of a kind the products of which ordinarily constitutes food for human consumption. The term "work animals" shall include any animal exclusively used in the following: the production of food for human consumption or other agricultural products held for sale in the regular course of business.

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Livestock Definition: Term used is “work animal”.

Utah

Sales Tax Exemption: Tangible personal property used or consumed primarily and directly in farming operations.

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Livestock Definition: No further definition found.

Vermont

Sales Tax Exemption: Breeding or other livestock.

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Livestock Definition: Livestock includes camelids.

Virginia

Sales Tax Exemption: Breeding or other livestock.

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Livestock Definition: Livestock includes animals of the genus Lama.

Washington

Sales Tax Exemption: Sale of livestock for breeding purposes.

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Livestock Definition: Livestock includes llamas, alpacas.

West Virginia

Sales Tax Exemption: Sale of livestock, poultry or other farm products in their original state by the producer.

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Livestock Definition: Livestock means farm animals raised for profit.

Wisconsin

Sales Tax Exemption: Breeding and other livestock.

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Livestock Definition: Livestock includes domestically raised fur bearing animals or animals which are a source of wool, such as llamas, including those used for breeding.

Wyoming

Sales Tax Exemption: Sales of livestock, feeds for use in feeding livestock.

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Livestock Definition: No further definition found.