



**VERNON BARNETT**  
Commissioner

# State of Alabama Department of Revenue

([www.revenue.alabama.gov](http://www.revenue.alabama.gov))  
50 North Ripley Street  
Montgomery, Alabama 36132

**JOE W. GARRETT, JR.**  
Deputy Commissioner

**CURTIS E. STEWART**  
Deputy Commissioner

**BRENDA R. COONE**  
Deputy Commissioner

**MICHAEL D. GAMBLE**  
Deputy Commissioner

June 15, 2018

## **Tax Guidance for Persons, Firms, and Corporations Who Plant or Cultivate and Harvest Fruit or Agricultural Products**

The legislature has passed and the governor has signed Act 2018-562, amending Sections 40-23-4 and 40-23-62, relating to the state sales and use tax, to specify that the sale of fruit or agricultural products by the person, firm, or corporation that planted or cultivated and harvested the fruit or agricultural products, is exempt when the land is owned or leased by the seller.

Act 2018-562 became effective April 6, 2018. Prior to Act 2018-562, the seller had to have **planted, cultivated, and harvested** the fruit or agricultural product in order for the product to be exempt from sales and use tax. With the passage of Act 2018-562, the seller is eligible for the exemption if he or she **only cultivated and harvested** the fruit or agricultural product, when the land is owned or leased by the seller. If the seller **planted or cultivated and harvested** the fruit or agricultural product, the sale thereof will be exempt.

If you should have any questions concerning this notice, please contact the Sales and Use Tax Division by telephone at (334) 242-1490, by email at [STExemptionUnit@revenue.alabama.gov](mailto:STExemptionUnit@revenue.alabama.gov), or by mail at Sales and Use Tax Division, Exemption Unit, P.O. Box 327710, Montgomery, AL 36132-7710.