

TAX EXEMPTIONS

FOR AGRICULTURAL & TIMBER PRODUCTS IN

TEXAS

Farmers, ranchers, and timber producers can claim exemptions from some Texas taxes when purchasing certain items used exclusively to produce agricultural and timber products for sale.

Who Qualifies?

If you are a farmer, rancher, or timber producer engaged in one of these activities, you qualify for tax exemption on the purchase of certain items used to produce your agricultural and timber products for sale:

- Farming or ranching for the purpose of raising agricultural products for sale
- Production of fiber crops (cotton, hemp, flax, etc.) for sale
- Timber production (including contract logging)
- Feedlot operation
- Commercial fish farm operation
- Bee keeping
- Custom harvesting
- Crop dusting (as defined by 14 CFR Section 137.3)
- Growing plants for sale in a commercial nursery
- A veterinary business that makes farm or ranch calls
- Future Farmers of America or 4-H, or
- Teaching an agricultural vocational course



-All purchasers, including non-Texas residents, must have a valid agricultural and timber registration number (Ag/Timber Number) issued by the Comptroller to claim exemption from Texas tax. If you do not have a valid Ag/Timber Number, you must pay tax to retailers on your purchases.



How to Apply for a Texas Agricultural and Timber Registration Number

To claim a tax exemption on qualifying items, you must apply for an agricultural and timber registration number (Ag/Timber Number) from the Comptroller. You must include the Ag/Timber Number on the agricultural exemption certificate or the timber exemption certificate when buying qualifying items.

- **Ag/Timber Numbers must be renewed every 4 years, regardless of when the number was first issued.** Renewed and new Ag/Timber Numbers expired on Dec. 31, 2023, which means that if you did not renew your Number before this date, you will need to reapply. You must enter the expiration date on the exemption certificate you give to retailers on your qualifying purchases. If you already have an exemption certificate on file that includes your Ag/Timber Number, you can add the expiration date to the exemption certificate and initial it for the retailer's records.
- **What you need before you apply:**
 - Basic information about your business (such as its name, description and address)
 - Social Security number (if you do not qualify for a Social Security number, you must apply by mail and include your national identification number and country of origin on the application)
 - If your business is registered with the Texas Secretary of State (SOS), you will need to provide your SOS file number

Ag/Timber Courtesy Cards

Once your application has been processed, you will be sent a confirmation letter with two courtesy cards showing your Ag/Timber Number. These cards are for your convenience and do not replace the requirement to provide a properly completed exemption certificate with an active Ag/Timber Number and expiration date when making tax-exempt purchases. You can make copies of the courtesy card and authorize a spouse, employee, or other individual to use the Number to make purchases in your name, but you are responsible for properly using your Ag/Timber Number, and you can be held liable for its misuse.

For FAQs, application links, and a list of qualifying exempt purchases, please visit the Texas Comptroller's website at:

- <https://comptroller.texas.gov/taxes/ag-timber>

More Resources:

- <https://agrilife.org/texasaglaw/2023/12/13/renew-your-ag-timber-number-now>
- <https://landmarkwildlife.com/agricultural-exemption>

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