

Ruling 90-02

Vermont Department of Taxes

Date: March 29, 1990

Written By: Jacqueline A. Hughes, Attorney for the Department

Approved By: Norris Hoyt, Commissioner of Taxes

You have requested a ruling on the application of the Vermont sales and use tax law to plastic sealed agricultural feed storage bags. This ruling relies on representations contained in your letter dated February 7, 1990, and the brochures and samples enclosed with the letter.

[Corporation] sells plastic sealed agricultural feed storage bags to farmers. These bags are filled by machine with corn, haylage, etc. for storage until use. The bags are not reusable nor are they a permanent structure. The bags are supplies, Reg. § 1.9741(25)-2(d)(iii), and are not exempt from the sales tax under the exemption for agricultural machinery or equipment, 32 V.S.A. § 9741(25).

Nor are these bags among the enumerated items exempted by 32 V.S.A. § 9741(3). They are subject to the sales and use tax.

You are correct that the machinery used to fill the bags is exempt because it is directly used in farm production in much the same way as a baler.

This ruling is issued solely to your firm and is limited to the facts presented as affected by current statutes and regulations. Other taxpayers may refer to this ruling to determine the Department's general approach, but the Department will not be bound by this ruling in the case of any other taxpayer or in the case of any change in the relevant statute or regulations.