

**CHAPTER 44. FARMING AND DAIRYING**

- Sec.  
44.1. Dairy farm paper towels.  
44.2. Cooperative agricultural associations.  
44.3. Farm water heaters.  
44.4. Guns and ammunition.  
44.5. [Reserved].

**Source**

The provisions of this Chapter 44 adopted September 8, 1972, effective September 9, 1972, 2 Pa.B. 1686, unless otherwise noted.

**§ 44.1. Dairy farm paper towels.**

The purchase by a farmer of paper towels especially made for the purpose of washing the udders of dairy cattle is exempt from tax. The purchase of a dispensing cabinet for use in conjunction with the towels is subject to tax.

**Source**

The provisions of this § 44.1 adopted September 8, 1972, effective September 9, 1972, 2 Pa.B. 1686.

**§ 44.2. Cooperative agricultural associations.**

(a) *General.* The provisions of this section were repromulgated on July 14, 1973 as a result of the Commonwealth Court decision in *Lehigh Valley Cooperative Farmers v. Commonwealth*, 8 Pa. Commw. 18, 305 A.2d 908 (1973), which held that cooperative agricultural associations required to pay corporate net income tax under the Co-operative Agricultural Association Corporate Net Income Tax Act (72 P. S. §§ 3420-21—3420-30) are exempt upon their purchases of tangible personal property under the Tax Act of 1963 for Education (72 P. S. §§ 3403-1—3403-605 (repealed 1971)). The provisions of this section also apply under the TRC. This section has been revised to reflect the amendment to section 3 of the Co-operative Agricultural Association Corporate Net Income Tax Act (72 P. S. § 3420-23) by section 1 of the act of July 1, 1978 (P. L. 591, No. 112) (72 P. S. § 3420-23) which requires cooperative agricultural associations to pay sales and use taxes on registered vehicles beginning August 31, 1978.

(b) *Sales and use tax exemption.* Cooperative agriculture associations which are required to pay corporate net income tax under the provisions of the Cooperative Agriculture Association Corporate Net Income Tax Act (72 P. S. §§ 3420-21—3420-30) are exempt from the payment of sales and use tax on their purchases of tangible personal property. The exemption does not apply to the purchase, lease, repair or maintenance service of any motor vehicle required to be registered under 75 Pa.C.S. §§ 101—9910 (relating to Vehicle Code). The exemption does not inure to a construction contractor who, under a construction contract with a cooperative agriculture association, is required to purchase mate-

rials, supplies or equipment which are installed so as to become part of the real estate under a construction contract.

(c) *Hotel Occupancy Tax exemption.* Cooperative agriculture associations which are required to pay corporate net income tax under the provisions of the Cooperative Agriculture Association Corporate Net Income Tax Act (72 P.S. §§ 3420-21—3420-30) are exempt from the payment of hotel occupancy tax. The exemption applies only when the billing for the rental of the room is charged to and paid directly by the association. Hotel Occupancy Tax charged to an employe of the association who rents a room, even though he will later be reimbursed by the association.

(d) *Procedure for claiming exemption.* Cooperative agriculture associations may claim an exemption upon their purchase of tangible personal property by tendering to their supplier a properly executed blanket exemption certificate reflecting the following language on the face thereof: “Property and/or services are exempt from tax by virtue of the provisions of section 3 of the Co-operative Agriculture Association Corporate Net Income Tax Act” (72 P. S. §§ 3420-21—3420-30). A blanket exemption certificate once tendered to a supplier may be used in lieu of the payment of tax on all future purchases.

(e) *Cooperative agriculture associations engaged in the business of making taxable sales.* Cooperative agriculture associations which are engaged in the business of selling taxable tangible personal property or services are required to be licensed by the Department for the purpose of collecting and remitting sales tax upon any sales which they make. The fact that a cooperative agriculture association is exempt from tax upon property which they use or consume in their activities does not exempt them from the responsibility as vendors under the TRC.

#### Source

The provisions of this § 44.2 adopted July 13, 1973, effective July 14, 1973, 3 Pa.B. 1316; amended March 21, 1980, effective March 22, 1980, 10 Pa.B. 1305. Immediately preceding text appears at serial pages (45934) and (45935).

#### Cross References

This section cited in 61 Pa. Code § 47.17 (relating to lease or rental of vehicles and rolling stock); and 61 Pa. Code § 58.13 (relating to carpeting and other floor coverings).

### § 44.3. Farm water heaters.

The purchase by a farmer of water heaters to be used to provide hot water for use in conjunction with the cleaning of dairy farm utensils and equipment is in the nature of a maintenance function and shall therefore be subject to tax.

#### Source

The provisions of this § 44.3 adopted September 8, 1972, effective September 9, 1972, 2 Pa.B. 1686.

**§ 44.4. Guns and ammunition.**

Guns and ammunition are never deemed to be used directly in an operation of manufacturing or agriculture, and therefore they may not be purchased tax exempt under the exemption provided in §§ 32.32 and 32.33 (relating to manufacturing; processing and farming).

**Source**

The provisions of this § 44.4 adopted September 8, 1972, effective September 9, 1972, 2 Pa.B. 1686.

**§ 44.5. [Reserved].****Source**

The provisions of this § 44.5 adopted September 8, 1972, effective September 9, 1972, 2 Pa.B. 1686; reserved May 13, 1983, effective May 14, 1983, 13 Pa.B. 1638. Immediately preceding text appears at serial page (40363).

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