

STATEMENT OF PURPOSE

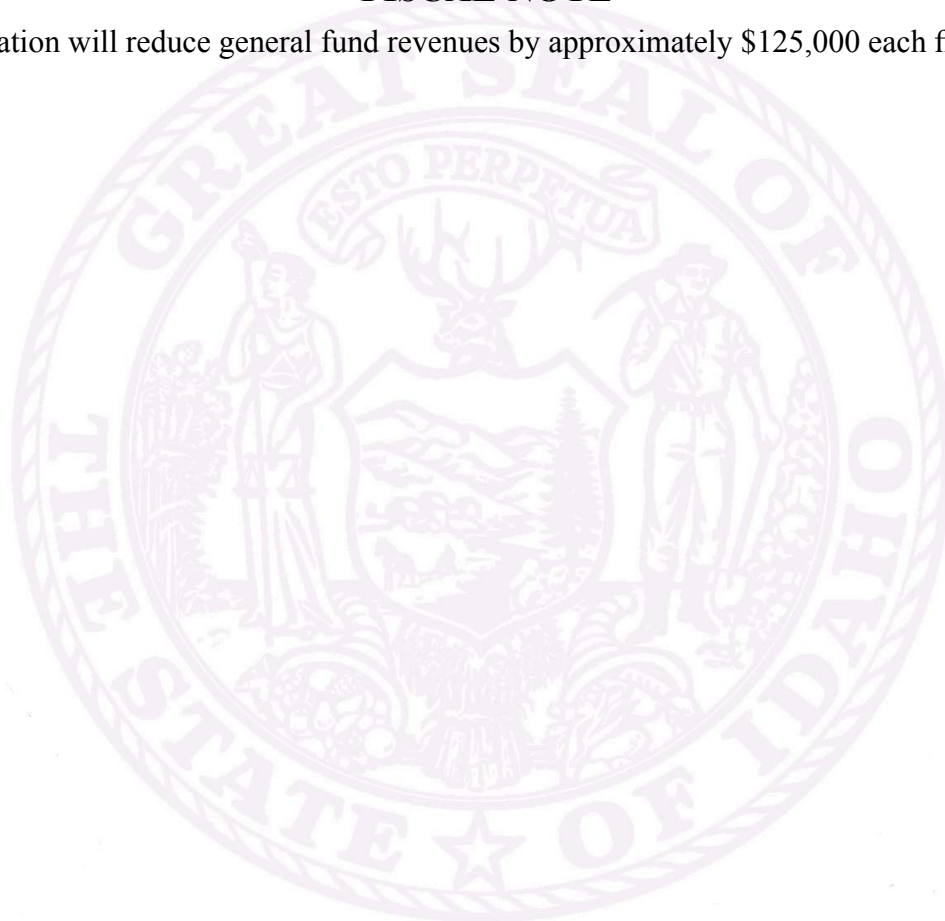
RS24230

This legislation amends the production exemption for farming operations to include the term "removal from storage" of agricultural commodities.

The statute has, since 1991, exempted equipment from sales tax which is "reasonably necessary to the operation of the total farming business". This proposed amendment provides a clear line to distinguish where the total farming business ends and where other activities begin.

FISCAL NOTE

This legislation will reduce general fund revenues by approximately \$125,000 each fiscal year.



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