TAXPAYER SERVICE DIVISION

FYI – For Your Information

Sales Tax Exemptions on Seeds, Plants and Trees

GENERAL INFORMATION

All seeds purchased for a farm operation, whether they are food-producing or not, are exempt from state and local sales taxes. All non-woody plants, whether used to grow food or not, are subject to state and local sales taxes.

All orchard trees are exempt from state and local sales taxes. All other kinds of trees are subject to sales taxes. [§39-26-716(4)(b) C.R.S.]

Home-Rule Areas

The above guidelines apply to state sales tax, and state-collected local and special district taxes only. Home-rule jurisdictions which are self-collected may make their own regulations concerning the taxability of items, including seeds, plants and trees. You must contact a home-rule city directly for its taxing policies.

A list of self-collected areas and local sales tax rates is contained in "Colorado Sales/Use Tax Rates" (DR 1002), a publication available from the Colorado Department of Revenue. It is updated each January and July. To obtain a copy, visit the Web at *www.taxcolorado.com*

Food Stamps

The federal government defines seeds and plants for food-growing purposes as food. Therefore, when purchased with food stamps or WIC vouchers, all food-producing seeds and plants are exempt from state and local sales taxes. Because it is a federal statute, this also applies to such purchases made in home-rule jurisdictions.

WIC is the federal supplemental food program for women, infants and children.

FURTHER INFORMATION

FYIs and commonly used forms are available on the Web at *www.taxcolorado.com*

For additional sales tax information visit the "Tax Information Index" at *www.taxcolorado.com*

FYIs provide general information concerning a variety of Colorado tax topics in simple and straightforward language. Although the FYIs represent a good faith effort to provide accurate and complete tax information, the information is not binding on the Colorado Department of Revenue, nor does it replace, alter or supersede Colorado law and regulations. The Executive Director, who by statute is the only person having authority to bind the Department, has not formally reviewed and/or approved these FYIs.

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