

Illinois Department of Revenue  
101 West Jefferson Street  
Springfield, Illinois 62708

INFORMATIONAL BULLETIN FY86-29

TO: All Taxpayers Claiming an Exemption for Farm Machinery and Equipment

SUBJECT: Farm Machinery and Equipment Sales Tax Exemption

If you do not sell farm machinery and equipment, please disregard this bulletin.

WHAT CHANGES?

Effective on sales made on or after January 1, 1986, all farm machinery, equipment, and individual replacement parts will be exempt from state sales tax, not just those costing \$1,000 or more. (For the purpose of this change, date of sale will be the date the item is delivered.)

WHAT DOESN'T CHANGE?

- The purchaser must certify that the item(s) will be used primarily in production agriculture.
- Special order items as well as items purchased for lease qualify for the exemption.
- Items required to be registered under "The Illinois Vehicle Code" do not qualify.
- Your local unit of government (city or county) may reimpose tax on these sales. If it does, you must collect and remit the tax to the Department. If you do not know if the tax has been reimposed, you should contact your local government agency directly.

If you need more information, call or write. The phone numbers and address are at the top of this bulletin.

J. Thomas Johnson  
Director of Revenue

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