
HOUSE COMMITTEE AMENDMENTS

2023 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 502 by Representative McFarland

1 AMENDMENT NO. 1

2 On page 1, line 3, after "farmers;" and before "to remove" insert "to provide for the
3 definition of commercial farmer;"

4 AMENDMENT NO. 2

5 On page 1, line 4, after "purposes;" and before "and" insert "to authorize the promulgation
6 of rules; to provide for certain limitations;"

7 AMENDMENT NO. 3

8 On page 1, delete lines 13 through 20 in their entirety and on page 2, delete lines 1 through
9 15 in their entirety and insert the following:

10 "(30)(a) Except as provided in Subparagraph (b) of this Paragraph, the The
11 term "commercial farmer" shall mean only those persons means:

12 (i) A person regularly and occupationally engaged in producing the
13 commercial production of food or, agricultural commodities, or agricultural products
14 for sale; or These terms are limited to those persons, partnerships, or corporations
15 regularly engaged in the commercial production for sale of vegetables, fruits, crops,
16 livestock, poultry, and other food or agricultural products that report farm income
17 and expenses on a federal Schedule F or similar federal tax form, including but not
18 limited to 1065, 1120, and 1120S filed by a person assigned a North American
19 Industry Classification System (NAICS) Code beginning with 11.

20 (ii) A lessor landowner who leases an immovable for agricultural use to a
21 person described in Item (i) of this Subparagraph and maintains a joint venture
22 contractual relationship with the person.

23 (b) The secretary of the Department of Revenue, in consultation with the
24 Department of Agriculture and Forestry, shall develop and promulgate rules in
25 accordance with the Administrative Procedure Act as are necessary for the
26 administration of exemptions available to commercial farmers and the registration
27 of commercial farmers to determine who meets this definition no later than January
28 1, 2019. Notwithstanding any contrary provision of this Paragraph, the Department
29 of Revenue shall honor existing farmer exemption certificates issued by the
30 department until July 1, 2019.

31 (b) Notwithstanding the provisions of Subparagraph (a) of this Paragraph,
32 the term "commercial farmer" may include a landowner who is a party of a joint
33 venture and who leases land to a commercial farmer as defined in Subparagraph (a)
34 of this Paragraph. In order to qualify as a commercial farmer, the lessee landowner
35 shall submit documentation of the joint venture arrangement or a report of farm
36 income and expenses, including proof of lease income, from the joint venture on a
37 federal Schedule F form or similar federal tax form to the Department of Revenue
38 in order for the secretary of the department to make a determination that the taxpayer
39 is a commercial farmer.

1 (c) No state sales and use tax exemption available to a commercial farmer
2 shall be allowed or claimed for or related to an "activity not engaged in for profit"
3 as that term is defined by 26 U.S.C 183, as amended."