

# Georgia Agricultural Tax Exemption Program

## Program Changes for 2019

	Current	HB 886 Changes
<b>Income Threshold to Qualify</b>	\$2,500, per NAICS code	\$5,000, can be aggregate across multiple crops or NAICS codes.
<b>Long-term Ag Production</b>	Limited to timber, orchard crops, pecans, blueberries, blackberries, olives, and horticulture.	Allowed if sufficient volumes exist to generate in at least \$5,000 in aggregate, or combined, crops on an annual basis. Livestock also added to list.
<b>Required Tax Documentation</b>	<p>The following tax forms must be filed, and verify, annual income of \$2,500;</p> <ul style="list-style-type: none"><li>- IRS Schedule F</li><li>- IRS Schedule E</li><li>- IRS Form 4835</li><li>- IRS Form 4797</li><li>- IRS Form 1065</li><li>- IRS Form 1120, 1120(s)</li></ul>	Previous tax forms still required and must demonstrate income of \$5,000 from combined crops, or, provide Commissioner with documentation, business plan, tax returns, forms, sales receipts, production history, FSA data, etc., to satisfy Commissioner (GDA) in making a discretionary approval determination.
<b>Application Process</b>	N/A	Commissioner (GDA) shall provide each applicant a warning message for consequences of providing false information or misuse of exemption; acknowledgement that all information will be shared with DOR; instructions that records of exempt purchases shall be maintained and provided to GDA and DOR, upon request.
<b>State Taxpayer I.D. Number</b>	N/A	New and existing GATE cardholders must provide GDA with a state taxpayer identification number issued by DOR prior to 2019 renewal process.

<b>Application Fee</b>	\$20 online fee, \$25 for mailed transaction.	Application fee of \$150 for a three year card.  All applications will be processed electronically, no mailed applications accepted!
<b>Card Effective Dates</b>	All cards good for one year, issued annually.	As of 2019 production year, cards will be issued for a three-year term. This will be implemented over a three year phase-in process. One third of applicants will receive a three-year card (\$150), one third will receive a two year card (\$100), and one third will receive a one year card (\$50).
<b>Card Physiology</b>	Paper cards which can be printed or reproduced from GATE website.	Actual wallet-sized, plastic card, issued to cardholder and additional users. Cards will be mailed annually to all active accounts in order to signify the current year of eligibility.
<b>Card Misuse and Violations</b>	Commissioner may revoke card for abuse/misuse.	Commissioner may suspend eligibility for up to one year. If second offense occurs within five years of suspension, Commissioner may revoke eligibility.  All revocations will result in mandatory three year program ineligibility.
<b>GDA Reporting Requirements</b>	N/A	GDA to prepare annual report for House Ways & Means and Senate Finance to include;  - number of new certificates issued,  - number of renewed certificates issued,  - number of certificates revoked or suspended due to knowingly unlawful activity.
<b>Retailer Requirements</b>	From DOR Regs – Any person making a sale or lease of agricultural production inputs, ag machinery or equipment, or energy, must collect sales and use tax unless such person, in good faith, takes from the purchaser or lessee a GATE certificate.	Upon first use of card during any calendar year retailer must verify that card is valid by reviewing cardholder’s certificate. Seller is authorized to honor the certificate until they receive notice of suspension/revocation.  Seller is prohibited from providing exemption if producer cannot provide valid tax certificate.