

**SUPPLEMENTAL FARM MACHINERY AND EQUIPMENT RETURN INSTRUCTIONS
FOR SALES/USE TAX**

The sales/use tax rate for any sales and/or purchases of farm machinery and equipment employed for the agricultural use of real property is 2% in all counties for those purchases made after July 1, 2002. Sales or use of such items are exempt from any local taxes pursuant to Nevada Revised Statute 374.286 and the corresponding chapters 374A, 377, 377A, and 377B.

Farm machinery and equipment means a farm tractor, implement of husbandry, piece of equipment used for irrigation, or a part used in the repair or maintenance of farm machinery and equipment. Farm tractor means a motor vehicle designed and used primarily for drawing an implement of husbandry. Implement of husbandry means a vehicle that is designed, adapted or used for agricultural purposes, including, without limitation, a plow, machine for mowing, hay baler, combine, piece of equipment used to stack hay, till, harvest, handle agricultural commodities or apply fertilizers, or other heavy, movable equipment designed, adapted or used for agricultural purposes. Agricultural use of real property means a business venture for profit, which produced a minimum gross income of \$5,000 from agricultural pursuits for the immediately preceding calendar year.

Businesses having sales of and consumers purchasing qualified farm machinery and equipment must report those sales/purchases at the (2% rate) on the supplemental farm machinery and equipment return form. Your regular tax return must be filed whether or not sales/purchases subject to the full tax rate were made. The supplemental farm machinery and equipment form must be attached to your regular sales/use tax return. While the supplemental form is not mailed each reporting period, it is available upon request from any district office, or may be downloaded from the Department's web site. Photocopies of the supplemental form, or copies downloaded from our web site, are acceptable.

The dollar amounts reported on the Supplemental Farm Machinery and Equipment return **ARE NOT** to be included on the regular Combined Sales & Use Tax return. Both returns must be filed in order to assure proper posting of your tax returns.

The lower portion of the supplemental return is completed the same way as the regular return.

If there are further questions, please contact your district office.