

Guilford County Field Crops News

July 2014

North Carolina Cooperative Extension

Introduction to the Community

Hello All,

My name is John Ivey and I am the new Crop Science Agent in Guilford County with North Carolina Cooperative Extension. I have had the pleasure to meet many of you, although I know I haven't met you all. I started March 17th, and it has been a wonderful, busy time getting to know some of the community. I wanted to introduce myself and let you know that I am here to help YOU. Please know that I am available to help you with just about anything, and my door is always open.

I studied Agroecology at North Carolina State University and have my degree in Agriculture Education from North Carolina A&T State University. My fiancé, daughter and I relocated to

Greensboro about 4 years ago and have fallen in love with our community. I spent my summers as a boy working the tobacco, cotton and vegetable fields for my grandfather in Kinston, NC.

I hope to meet all of you very soon, and if I have not previously contacted you, please give me a ring or shoot me an email. I hope that we can together build a strong local food based community and have some fun doing it!

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Upcoming Events

July 26—5th Annual Great Tomato Festival

8am to Noon at the NC A&T University Farm (3136 McConnell Rd, Greensboro). The festival will be held rain or shine. Events for the day include: tours, tomato cooking contest, tomato tasting, chef cook-off and more. For more information visit our website: guilfordextension.com

August 7—NC Strawberry Growers Meeting

5:30 pm at the Alamance County Ag Center (209-C N Graham-Hopedale Rd, Burlington)

August 19 & 20—Pesticide School at Guilford County Ag Center

For more information visit: <http://www.ncagr.gov/SPCAP/pesticides/exam.htm> or call (919) 515-3113. You can register for classes online at <http://www.pesticidemanuals.com/>

September 22—Pesticide Recertification

6pm-8pm at the Guilford County Ag Center. Private Applicator V Certification. No registration required.



North Carolina State University and North Carolina A&T State University commit themselves to positive action to secure equal opportunity regardless of race, color, creed, national origin, religion, sex, age, veteran status, or disability. In addition, the two Universities welcome all persons without regard to sexual orientation. North Carolina State University, North Carolina A&T State University, U.S. Department of Agriculture, and local governments cooperating.

Tax Clarification resulting from HOUSE BILL 1050

In 2013 the General Assembly passed changes to tax law that became effective January 1, 2014. These changes created questions as to how some farms may become subject to an expanded sales tax base or not on products they sell, as well as, qualifying for sales tax exemption on farm inputs. House Bill 1050, passed by the General Assembly and signed by the Governor on May 29, 2014 provides clarification to some of these questions.

Sales and Use Tax: Collection and Remittance by Farmers on product sales

A farmer selling raised products (products the farmer grew or raised him/herself) from a farm road-side stand or at a farmer's market is NOT REQUIRED to collect and remit sales tax to the North Carolina Department of Revenue. The key is that the product is in the "original state" when sold.

Example

In most cases if there is any "value added" done to a product (e.g. selling cuts of meat) the seller must collect and remit sales tax. The example below uses the sweet potato:

- a) If the sweet potato is sold by the farmer with the dirt still on the potato that is a sale of product in the original state and NO SALES TAX is charged, collected or remitted. This has been in place for years and still is in place.*
- b) If the sweet potato is purchased by another vendor and is resold by this second vendor, then 2% sales tax as a food item must be collected and remitted.*
- c) If the sweet potato is made into a pie and then sold at the farmer's market, the pie is subject to 4.75% sales tax plus any local sales tax as a prepared food item and sales tax must be collected and remitted.*
- d) If the sweet potato pie is cut and a slice is placed on a plate with a fork and sold, the slice of pie is subject to 4.75% state sales tax PLUS local sales tax as a served and prepared food (think restaurant) item and sales tax must be collected and remitted.*

As of January 1, 2014, there is a requirement that the farmer attests that the products sold by the farmer, at the farmer's market, are his/her own production. The North Carolina Department of Revenue (NCDOR) provided guidance through Directive on February 28, 2014 which requires that a statement of attestation is to be given to the manager/operator of the farmer's market. The NCDOR link is: <http://www.dornc.com/press/2014/specialty.html>

Sales and Use Tax: Sales tax exempt purchase of farming inputs

Clarification in HB 1050 provides that qualifying farmers, in order to purchase farm inputs exempt from sales tax, must have \$10,000 of gross farm income from the preceding tax year in order to qualify for the exemption or \$10,000 of gross farm income as an average of the preceding 3 taxable years. This may affect operators of small farms as gross farm income may be variable due to weather conditions.

Qualifying farmers will use Form E 595 QF to apply for a new exemption certificate. These new certificates will begin with a number 7 and need to be in force by October 1, 2014. The old exemption certificates (begin with the number 1) are valid until October 1, 2014. NC DOR estimates it will take 60-90 days to process new applications. Farmers will attest to having qualifying income. The link to Form E595QF is: <http://www.dornc.com/downloads/e595qf.pdf>

Further, HB 1050 allows for a Conditional Exemption. The conditional exemption is useful to beginning farmers who have no history of farm production. To receive a conditional exemption, the beginning farmer must certify they intend to engage in farming. The conditional exemption number will begin with the number 8. The conditional exemption certificate is valid for the taxable year in which it is issued and the two subsequent years. The holder of the conditional certificate must provide the NCDOR copies of applicable State and Federal income tax returns within 90 days of the end of each tax year the certificate covers. The conditional exemption certificate is not renewable. The link to the application form for the conditional exemption using Form E 595CF is: <http://www.dornc.com/downloads/e595cf.pdf>

Misuse of the Exemption Certificate is subject to a \$250.00 fine.

THIS INCOME THRESHOLD IS NOT TO BE CONFUSED with the \$1,000 of agricultural product produced as an average, over 3 years, for property tax purposes to qualify for Present Use Value program.

Sales and Use Tax: NEW agricultural exemption certificate to be required

HB 1050 provides that qualifying farmers who have an agricultural exemption certificate number issued prior to July 1, 2014 (an old exemption number) should apply for a new as soon as possible so that the new numbers are valid prior to October 1, 2014 and farm input purchases can remain sales tax exempt and not affect farm cash flow.

Holders of agricultural exemption certificate numbers issued prior to July 1, 2014 (old numbers) may continue to use these certificate numbers on qualifying purchases made prior to October 1, 2014. If, however, the exemption certificate is not valid, the holder must notify vendors and pay sales tax on now none qualifying purchases.

Bottom line, farmers will need new agricultural exemption certificate numbers either as a Qualifying Farmer exemption or beginning farmer, for example, allowed to use a Conditional Exemption.

Prepared by Guido van der Hoeven, Extension Specialist / Senior Lecturer, Department of Agricultural and Resource Economics, NC State University, gvanderh@ncsu.edu

NC Agriculture Cost Share Program Sign-Up

The Agriculture Cost Share Program (ACSP) is a voluntary, cost share based program offering financial and technical assistance for the installation of best management practices (BMPs) to address nonpoint source pollution.

Through this program, we work with agricultural landowners and renters to:

- Identify BMPs suited to your operation.
- Develop & approve conservation plans.
- Design & oversee installation of BMPs.
- Provide technical assistance to ensure proper operation & maintenance.

Applications are accepted throughout the year and will be ranked according to county resource concerns. Eligible applicants can be reimbursed up to 75% of a predetermined average cost for each installed BMP.

The major cause of water quality problems in NC is nonpoint source pollution. In many areas, damage to our water resources comes from soil erosion, excess nutrients, animal waste contamination and accidental spills of agricultural chemicals.

ACSP provides technical and financial assistance to install practices such as: field borders, grassed water- ways, composters for animal waste management, handling facilities for agrichemicals, stream protection practices, and erosion/ nutrient reduction practices such as conservation tillage and livestock exclusion.

To learn more, visit: www.ncagr.gov/sw/acsp.html or call 336-641-2440. Sign Up Period thru Aug. 22nd

Contact Us

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