

**THE RETAIL SALES TAX ACT**

## **TREE NURSERY AND GREENHOUSE OPERATIONS**

- The production of tree nursery and greenhouse crops for commercial sale is considered to be a farming activity that is eligible for the retail sales tax exemption on farm implements and machinery. The following pages outline the equipment that may be exempted when purchased by commercial operators of nurseries and greenhouses principally for use in the growing of trees, shrubs and plants.
- List A - items which may be sold tax exempt to *tree nursery farmers* with a Farm-Use Certificate.
- List B - items which may be sold tax exempt to commercial *greenhouse operators* with a Farm-Use Certificate.
- List C - items that do not qualify for exemption and are always taxable.
- The Farm-Use Certificate, where applicable, is required to be obtained by the seller at the time of sale and should be in substantially the following form. It may be printed, typed, written or applied by rubber stamp on the copy of the invoice or other document supporting the sale.

"I hereby certify that the goods shown on this invoice are farm implements, farm machinery or repair parts therefor, and will be used principally for farming.

....." ....."  
Date Purchaser's signature

**List "A"**  
**Tree Nursery**  
**Farmers**

THE SELLER IS REQUIRED TO OBTAIN A FARM-USE CERTIFICATE TO SUPPORT THE SALE OF THE FOLLOWING ITEMS EXEMPT OF TAX:

- Containers (including flats and pots) for trees, shrubs and plants
- Farm tractors of 16 H.P. and over, including front-end loaders, fork lifts, blades, mowers, tillers and snow blowers for those tractors
- Fertilizer spreaders
- Field spraying equipment for the application of herbicides, insecticides and fertilizers
- Irrigation equipment

- Propagation mistors
- Tillage equipment (excluding self-propelled tillers)
- Tree and shrub handling equipment used to plant, transplant, remove, load, pot, package or store trees and shrubs, including U-blade, tree spade, tying or packaging machines, humidifiers (but not including tree spades, loaders and other equipment used primarily in landscaping)
- Replacement parts for, or repair service to, exempt equipment

**Note:** The tax exemption applies to equipment purchased in manufactured form. Lumber and other general-purpose materials purchased for the construction or repair of equipment are not exempted from the tax.

**List "B"  
Commercial  
Greenhouse  
Operators**

THE SELLER IS REQUIRED TO OBTAIN A FARM-USE CERTIFICATE TO SUPPORT THE SALE OF THE FOLLOWING ITEMS EXEMPT OF TAX:

- Benches, tables and plant carts used in the production area
- Containers (including flats and pots) for trees, shrubs and plants
- Farm tractors of 16 H.P. and over, including front-end loaders, fork lifts, blades, mowers, tillers and snow blowers for those tractors
- Furnaces, ventilating fans and air circulation tubes, carbon dioxide units, nite curtains, shade cloth, shade spray, special lighting designed to stimulate plant growth, cooling pads and other devices to maintain, control and monitor temperature, moisture and carbon dioxide levels in greenhouses
- Germination equipment, including heating mats and plant containers
- Greenhouse equipment, including soil testing kit, plant testing kit, seeding equipment, identification tags and plant markers
- Heavy duty electrical generators used exclusively for emergency back up power supply for the greenhouse
- Soil handling equipment for greenhouse use, including potting machines, conveyers, loaders, soil mixers, screeners, shredders and sterilizers used for that purpose
- Spraying equipment for the application of insecticides, herbicides, fungicides and fertilizers
- Watering equipment including sprinkler systems, pumps, hot water tanks, distribution lines, hoses, nozzles, fertilizer injectors and propagation mistors
- Replacement parts for, or repair service to, exempt equipment

**Note:** The tax exemption applies to equipment purchased in manufactured form. Lumber and other general-purpose materials purchased for the construction or repair of equipment are not exempted from the tax.

**List “C”  
Taxable Items**

THE FOLLOWING ITEMS ARE ALWAYS TAXABLE AT THE TIME OF SALE:

- Automobiles, trucks, trailers and other vehicles required to be licensed under the Highway Traffic Act and all parts, repairs and services to such vehicles
- Benches, tables, and carts used solely in merchandising
- Lighting plants and generators for domestic use
- Lawn mowers
- Lumber, arches, metal framing, miscellaneous steel materials used to construct or repair greenhouses, benches, tables, etc.
- Plastic film, glass, fibreglass, or plastic panels used as greenhouse coverings
- Self-propelled tillers, garden tractors under 16 H.P. and their accessories. (In the exceptional case, this equipment may be eligible for refund of the tax where the Taxation Division, upon investigation, is satisfied that the purchaser is using it directly and exclusively in farming production. The seller must collect the tax on all such sales and the purchaser may subsequently apply to the Taxation Division to have a refund claim considered).
- Snowmobiles, motorcycles and all-terrain vehicles
- Tools and equipment of the type commonly purchased for domestic use
- Tree spades, loaders and other equipment used primarily in landscaping

**OTHER TAXES**

**Gasoline,  
motive fuel,  
electricity  
propane, coal  
and natural gas**

- Farmers may purchase marked fuel (exempt) for the following uses:
  - To operate agricultural machinery while carrying out agricultural work on farm land.
  - To operate farm trucks with a “Farm Plate” issued under The Highway Traffic Act.
  - Marked fuel may not be used in machinery and vehicles used for landscaping.
- Heating fuel, electricity, propane, coal and natural gas may be purchased exempt for the following uses:
  - To heat farm buildings situated on a farm used exclusively for the growing of farm crops or raising livestock, including a farm

residence.

- To produce heat exclusively in the operation of a grain dryer situated on farm land.

For more details regarding the tax exemption on fuels and electricity for farmers, contact one of the Taxation Division offices listed below.

## **FURTHER INFORMATION**

This bulletin is intended to serve as a guideline and is not all-inclusive. For the specific wording of the law, please refer to The Retail Sales Tax Act and Regulation. Further information may be obtained from:

### **Winnipeg Office**

Manitoba Finance  
Taxation Division  
101 - 401 York Avenue  
Winnipeg, Manitoba R3C 0P8  
Telephone (204) 945-5603  
Manitoba Toll Free 1-800-782-0318  
Fax (204) 948-2087  
E-mail: [MBTax@gov.mb.ca](mailto:MBTax@gov.mb.ca)  
Web Site: [www.gov.mb.ca/finance/taxation](http://www.gov.mb.ca/finance/taxation)

### **Westman Regional Office**

Manitoba Finance  
Taxation Division  
349, 340 - 9th Street  
Brandon, Manitoba R7A 6C2  
Telephone (204) 726-6153  
Manitoba Toll Free 1-800-275-9290  
Fax (204) 726-6763