

THE RETAIL SALES TAX ACT

SALES TO BEEKEEPERS

This bulletin outlines the Retail Sales Tax (RST) exemptions on farm implements, machinery and other items used “principally for farming” that are purchased by persons engaged in beekeeping.

General information

- The Retail Sales Tax Act provides an exemption for farm implements, farm machinery, and repair parts therefor that are used “principally for farming”. Farming means the growing of field crops, primary production of food and raising of livestock on farm land for commercial sale. This includes beekeeping.
- Exempt items purchased by beekeepers fall into the following categories:
 - Those that may be taxable when used in operations other than farming, but qualify for the farm exemption when used principally for farming (beekeeping). A “Farm-Use Certificate” as described below must be obtained by the vendor when selling these items exempt from RST. (see List “A”).
 - Those that are readily identifiable as farm-use equipment and generally have no other useful application. Vendors are not required to obtain a “Farm-Use Certificate” on sales of those items (see List “B”).
- See List “C” for items used by beekeepers that are always taxable.
- See List “D” for items that are commonly used for non-farming purposes but may in some cases be used principally for farming. In this case the farmer must pay the tax to the vendor at the time of purchase, but may be eligible for a tax refund upon review by the Taxation Division.
- This bulletin has been customized for beekeepers. For other information related to farmers, see Bulletin No. 018 – Farm-Use Equipment and Other Items – including information on farm fencing, general purpose building materials, hardware, shop equipment and hand tools.

Definitions

- Farm equipment is considered to be purchased “**principally for farming**” if it is used at least 80 per cent for farming purposes during the 24 month period after it is purchased. Equipment used more than 20 per cent for non-farming purposes during the first 24 months after purchase does not qualify for this exemption and is subject to tax on the full purchase price.

Note: Revisions to contents of previous Bulletin (May 2000) have been identified by shading ().

- Where equipment used principally for farming in the 24-month period immediately following acquisition is subsequently switched to non-farm use, no tax applies on the change in use. However, repairs and maintenance to equipment no longer used principally for farming are taxable.

Farm-use certificate

- Where a vendor is required to obtain a Farm-Use Certificate at the time of selling equipment and other items purchased principally for beekeeping (see list "A"), the certificate must be in the following form :

"I hereby certify that the goods shown on this invoice will be used principally for farming.

....."

Date	Purchaser's signature and land description.
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Please note: This must be printed, typed, written or applied by rubber stamp on the copy of the invoice or other document supporting the sale.

List "A" Conditionally exempt

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

- Antibiotics and other medications to prevent or mitigate disease in bees (e.g. Fumidil, Oxysol, Oxytet, Terramycin)
- Bee brushes
- Coleman stoves for generators
- Electric motors used on exempt beekeeping equipment
- Extractor heat tape and other types of wrap-around barrel heaters used to liquefy honey
- Frame wire
- Grafting wax
- Heating, cooling and ventilation systems, walk-in incubators, as well as related components (including heat exchangers, boilers, ducting, piping, valves, etc. and installation or repair labour) used specifically for the caring of bees or for extracting and wintering rooms and barns; **but** systems or components (including materials and installation labour) for general-use, e.g. to a farm residence, office, equipment shed are taxable.
- Hive tools
- Honey containers that are not specially labeled for that purpose, including:
 - Cellophane wrappers
 - Drip cut servers
 - Gummed paper tape
 - Honey cartons
 - Honey jars
 - Mono tubs
 - Other containers (e.g. straws for liquid honey sticks)
 - Polyethylene bags
 - Steel honey drums
- Honey dispensers
- Honey dryers and dehumidifiers
- Hose clamps
- Hydraulic tail gates on trucks
- Insecticides, fumigants and other products that control pests and parasites

in hives such as mites, moths and beetles (e.g. Apistan, beetle traps, formic acid gel, menthol, methyl bromide) and applicators

- Liners for honey containers
- Paraffin wax used to preserve and protect hives
- Repair parts for exempt equipment
- Rodenticides (e.g. mouse seed, rat poison)
- Scales for weighing honey
- Specialized materials used for the manufacture or repair of exempt items (e.g. small gauge nails designed to prevent splitting frames), but not general purpose materials (see Bulletin No. 018 – Farm-Use Equipment and Other Items).
- Steam and drip hoses for generators
- Strainer cloths
- Storage tanks, drums and stands
- Super lifters
- Super springs
- Winter packing paper, plastic, insulation and other materials used to winterize hives.

**List “B”
Unconditionally
exempt items**

THE SELLER IS NOT REQUIRED TO OBTAIN A FARM-USE CERTIFICATE TO SUPPORT THE SALE OF ANY OF THE FOLLOWING EXEMPT ITEMS:

- Bee hives or supers, including bee escapes, escape boards, hive entrance guards, hive bottom boards, frames, inner covers, outer covers, lids, division boards, lifters, quilts, stands and classifiers
- Bee blowers and bee blower hose
- Bee feed (e.g. sugar syrup), pollen supplements, feeders, feeder pails, and waterers
- Beekeeper books that contain no advertising
- Bee smokers and smoker bellows
- Bees
- Bee vacuums
- Clover seed
- Comb foundation wax (except coloured foundation wax in flat sheets)
- Forklifts designed specifically for beekeeping (e.g. “Hummerbee” forklift) and attachments. Other forklifts are taxable (except as noted in List D).
- Foundation wax frame tools, including grips, nailers, rests, section folders and wire embedders
- Foundation wax inserters and tube fasteners
- Foundation wax frames
- Frame separators, deboxers and section holders
- Honey hydrometers and refractometers
- Honey containers that are specially labeled for that purpose
- Honey container labels (e.g. brand name, nutrition information)
- Honey and extracting equipment, e.g.
 - Cappings and beeswax equipment (dryers, melters, processors and presses)
 - Honey and wax extractors
 - Honey gates
 - Honey pumps, honey augers and controls
 - Honey strainers
 - Honey liquefiers designed to be inserted into barrels and drums (e.g.

- Api Therma Electric Honey Liquefier). Wrap-around barrel heaters are exempt with a farm-use certificate.
- Power drives for extractors
 - Steam generators
 - Tanks (heating, mixing and separating)
 - Turn tables for foundation wax frames
 - Uncapping tools
 - Leafcutter bee equipment, i.e.
 - Cell cleaners
 - Cell removers
 - Grooved boards
 - Hive dividers
 - Hives
 - Incubation trays
 - Shelters
 - Tumblers and decontamination equipment
 - Pollen traps
 - Queen bee introducing cages
 - Queen bee excluders and excluder corners
 - Queen and drone traps
 - Queen rearing sets
 - Super clearers, including fume boards and bee repellants (e.g. "Bee-Go", "Honey Robber", "Bee Quick")
 - Swarming boxes and poles.

List "C"
Taxable items

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

- Candle and soap making equipment (e.g. double boilers, thermometers)
 - Candle and soap making supplies (lye, glycerin, oils, wicks, colored beeswax sheets, moulds, liquid soap bottles)
- Note:** Beekeepers who sell candles or soap on a commercial basis to the end user are required to be registered as a vendor to collect RST on these sales. The supplies listed above may be purchased exempt when they are used to produce goods for sale – the producer must provide their RST number to the vendor to obtain the exemption.
- Conveyers
 - Eyelet punches
 - Forklifts (see List "D") ("Hummerbee" and similar forklifts are exempt, see list "B")
 - Household appliances
 - Hand trucks, pallet jacks
 - Industrial mixers (e.g. mixers used in bakeries) (see List "D")
 - Insect repellants
 - Piping and tubing (see List "D")
 - Pallets, carts and parts
 - Protective clothing for beekeepers, including gloves, coveralls, hats, aprons, masks and veils
 - Rubber stamps and accessories
 - Section scraping knives
 - Videos and other recordings
 - Wire holders.

**List "D"
Refunds**

THE FOLLOWING ITEMS MAY BE ELIGIBLE FOR A TAX REFUND WHERE THE TAXATION DIVISION, UPON INVESTIGATION, IS SATISFIED THAT THE PURCHASER IS USING IT PRINCIPALLY FOR FARMING ACTIVITIES:

- Forklifts ("Hummerbee" and similar forklifts are exempt, see list "B")
- Industrial mixers used to process feed for bees
- Piping and tubing used for honey and extracting equipment

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:

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Fax (204) 726-6763

Web Site: www.gov.mb.ca/finance/taxation

ONLINE SERVICES

Our Web site at manitoba.ca/finance/taxation provides tax forms and publications about taxes administered by Taxation Division, and a link to Manitoba's laws and regulations. Forms and publications can also be obtained by contacting the Taxation Division.

Our online service at manitoba.ca/TAXcess provides a simple, secure way to apply for, and to file, pay and view your Taxation Division tax accounts.