**Section 130.1905 Agricultural Producers**

a) Agricultural Producers − When Liable For Tax

1) Persons who engage in the business of selling agricultural products, such as milk and other dairy products, livestock, meats, hay, grain, vegetables, fruit, plants, flowers, eggs, young trees or any other such items of tangible personal property, to purchasers for use or consumption, are required to remit retailers' occupation tax to the Department upon their receipts from such sales, notwithstanding the fact that such persons may themselves produce the agricultural products which they sell.

2) For example, a dairy farmer who produces milk and sells it to purchasers for use or consumption becomes liable for the tax.

3) Similarly, farmers who sell products to purchasers for use or consumption from roadside stands or from vending vehicles to purchasers for use or consumption, or who rent or lease space at an established market, "sales barn" or other similar place and sell commodities in their own names to purchasers for use or consumption, are engaged in the business of selling tangible personal property to purchasers for use or consumption within the meaning of the Retailers' Occupation Tax Act.

b) Agricultural Producers − When Not Liable For Tax

Agricultural producers are not required to remit retailers' occupation tax measured by their gross receipts from sales of tangible personal property to purchasers for purposes of resale. For example, a farmer who sells eggs to a grocer who purchases such eggs for resale to the grocer's customers is selling tangible personal property to a purchaser for purposes of resale. However, except in the case of sales to totally exempt purchasers, when sales for resale are made, sellers should, for their protection, take a Certificate of Resale from the purchaser. Mere statements by sellers that property was sold for resale will not be accepted by the Department without corroborative evidence. See Section 130.1405 for a seller's responsibility to obtain certificates of resale and the requirements for certificates of resale.

c) Associations of Agriculturists − When Liable For Tax

When an association of agriculturists conducts a market, "sales barn" or other similar place at which agricultural produce is sold to purchasers for use or consumption by the association as agent for principals who are unknown or undisclosed (see Section 130.1915 of this Part, entitled "Auctioneers and Agents"), such association is engaged in the business of selling tangible personal property to purchasers for use or consumption within the meaning of the Act and is required to remit retailers' occupation tax upon the gross receipts from such sales. The management of such association is required to file returns and pay the tax under such circumstances.

(Source: Amended at 47 Ill. Reg. 19349, effective December 12, 2023)