

Farm Machinery and Equipment ORS 307.394	Food Processing Equipment ORS 307.453	All Others 307.390 307.391 307.397 307.398
<p><u>What is exempt:</u> Tangible personal property that is:</p> <ul style="list-style-type: none"> • Farm machinery & equipment (M&E) used primarily in preparation of: land, planting, raising, cultivating, irrigating, harvesting or placing in storage of farm crops • Farm M&E used primarily for the purpose of: feeding, breeding, management and sale/produce of livestock, poultry, fur-bearing animals or bees or dairying and sale of dairy products • Farm M&E used primarily in any other agricultural/horticultural use or animal husbandry • M&E primarily used to implement a remediation plan <p><u>Definitions (OAR: 150-307-0460)</u> Storage of farm crops refers to the holding area in which a product is placed before processing begins</p> <p>Processing is altering the crop in any way such as: washing, icing, sorting, grading, waxing, boxing, slicing, or cutting.</p> <p>Machinery and equipment used to place a farm crop in storage are exempt from taxation. However, once processing of the crop is begun, it is no longer a crop, but a product.</p>	<p><u>What is exempt:</u> Qualified M&E that is newly acquired by a food processor is exempt for 5 years if property is:</p> <ul style="list-style-type: none"> • Real property M&E that is used by a food processor in the primary processing of raw or fresh fruit, vegetables, nuts, legumes, grains, bakery products, dairy products, eggs or seafood • Personal property M&E that is used in an integrated processing line for primary processing of raw or fresh fruit, vegetables, nuts, legumes grains, baker products, dairy products, eggs or seafood <p><u>Definitions (ORS 307.455 & OAR 603-025-0010)</u> Food Processor means a person engaged in the business of freezing, canning, dehydrating, concentrating, preserving, processing or repacking for human consumption raw or fresh fruit, vegetables, nuts, legumes, grains, bakery products, dairy products, eggs or seafood in any procedure that occurs prior to point of first sale by the processor.</p> <p>Food Processing means the cooking, baking, heating, drying, mixing, grinding, churning, separating, extracting, cutting, freezing or otherwise manufacturing a food or changing the physical characteristics of a food, and the packaging, canning or otherwise enclosing of such food in a container, but does not mean the sorting, cleaning or water-rinsing of a food.</p> <p>Excludes producers of alcoholic beverages and marijuana and bakeries not issued a wholesale license by State Department of Agriculture</p>	<p><u>What is exempt:</u></p> <ul style="list-style-type: none"> • Qualified mobile field incinerators • Radio communications or meteorological equipment or other tangible personal property used in connection with operation of field burning smoke management program • Specified M&E related to: frost control, trellises, hop harvesting equipment, in-water structures used to raise bivalve mollusks, or equipment used for fresh shell egg industry used to produce, prepare, package and ship fresh shell eggs • Greenhouses without permanent heat sources (other than direct sunlight) • Central pivot irrigation equipment
<p><u>Process of Exemption:</u> Exemption qualification is determined by assessor, M&E is either required to be reported on business personal property return or not.</p>	<p><u>Process of Exemption:</u></p> <ul style="list-style-type: none"> • State Dept. of Agriculture certifies eligibility of qualified M&E • Food processor applies to assessor 	<p><u>Process of Exemption:</u> Exemption qualification is determined by assessor, M&E is either required to be reported on business personal property return or not.</p>