

City and County of Denver, Colorado

TAX GUIDE

Topic No. 29

FEEDS AND SEEDS

FEED

Sales and purchases of feed for consumption by livestock or poultry are exempt from Denver sales and use tax. "Livestock" includes domestic animals raised for sale or profit which are kept on a farm. This definition includes, but is not limited to, horses, cattle, sheep, pigs, goats, poultry, and fish. Also exempt as feed are seeds sold to be grown and used as livestock feed (see "Seeds" below).

SEEDS

All sales and purchases of seeds for use by farmers, ranchers, truck farmers, florists, and horticulturists who sell or use the resulting crops as feed for livestock are exempt. Other sales and purchases of seeds are taxable, e.g., seeds which produce food for human consumption are taxable, unless they are purchased with food stamps. (For additional information, see "Rules Implementing The Exemption For Certain Food And Drink.")

EXAMPLE

The Bar X Farm and Cattle Company purchases 100,000 lbs. of seed corn for planting this year's crop. They traditionally sell 95% of the harvest at the Farmer's Market and keep 5% of the crop as cattle feed. The DRMC provides specific exemptions for both the purchase of seed when the resulting crop is to be resold and the purchase of feed for consumption by livestock. The acquisition of the seed corn by Bar X Farm and Cattle Company is not subject to tax.

RELATED TAX GUIDE TOPIC

Livestock, Livestock Bedding/Feed.

* DRMC Section 53-26(6). Exemptions.

* DRMC Section 53-97(6). Exemptions.

* Rules Implementing The Exemption For Certain Food And Drink Under The City Retail Sales And City Use Tax Articles Of The Denver Revised Municipal Code

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT DENVER TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE DRMC AND APPLICABLE RULES AND REGULATIONS.