



State of Vermont
Department of Taxes
133 State Street
Montpelier, VT 05633-1401

Agency of Administration

Ms. Pat Sagui, Director
Composting Association of Vermont
481 Kettle Farm Road
Westfield, VT 05874

Ms. Sagui,

Effective July 1, 2014, sales of compost, animal manure, manipulated animal manure, and planting mix are exempt from sales tax when sold in bulk. On behalf of the compost and planting mix community, you requested clarification of some of the terms used in the statute exempting compost.

“Sold in bulk” means “sold in a form that is not prepackaged, or sold in a packaged form in volumes greater than one cubic yard.”

“Planting mix” means “used in the production of plants and made substantially from compost, peat moss, or coir and other ingredients that contribute to fertility and porosity, including perlite, vermiculite, and other similar materials.” To qualify as planting mix a product must both be used in the production of plants and be “made substantially from” the ingredients listed above. “Made substantially from” means that the product must, in the aggregate, consist of at least 66% compost, peat moss, coir, or other ingredients that contribute to the fertility and porosity of the soil to be considered exempt planting mix.

For example, a product that is 50% compost, 25% peat moss, and 25% other materials would qualify for the exemption if it used in the production of plants and sold in bulk because, in the aggregate, it consists of more than 66% of the ingredients listed in the statute.

If a seller has questions about whether a particular product or transaction qualifies under the new exemption, please have them contact the Department at (802) 828-2551, option 3.

Sincerely,

A handwritten signature in black ink that reads "Jeffrey M. Dooley".

Jeffrey M. Dooley
Lead Tax Policy Analyst
Vermont Department of Taxes

