

May 17, 2001
OPINION NUMBER 01-125

119 TAXATION - EXEMPTIONS, GENERAL
160 TAXATION – SALES TAX

Mr. Henry N. Bellamy
Attorney at Law
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CIVIL CODE ARTICLE 11
La. R.S. 47:305A(1)

The terms “direct from the farm” as used in La. R.S. 47:305A(1) are not synonymous with “on the farm”.

Dear Mr. Bellamy:

We received your request for an opinion on behalf of the Caddo-Shreveport Sales and Use Tax Commission. You request our opinion regarding the application and interpretation of La. R.S. 47:305A(1), which provides as follows:

The gross proceeds derived from the sale in this state of livestock, poultry, and other farm products **direct from the farm** are exempted from the tax levied by this Chapter, provided that such sales are made **directly by the producers**. When sales of livestock, poultry, and other farm products made to consumers by any person other than the producer, they are not exempted from the tax imposed by this Chapter. (Emphasis added)

Pursuant to your request, the Caddo-Shreveport Sales and Use Tax Commission has interpreted this statute to mean that sales must be made on the farm premises to be exempt from the sales tax. We do not concur in this interpretation. Civil Code Article 11 provides that the words of a law must be given their general prevailing meaning. The word from, according to Merriam-Webster's Collegiate Dictionary, Tenth Edition, is a function word indicating a source, cause, agent, or basis. In light of the above, the words contained in La. R.S. 47:305A(1) must be given their generally prevailing meaning.

Therefore, it is our opinion that “direct from the farm” is not synonymous with “on the farm”. Rather, the sale of livestock, poultry, and other farm products, in order to be exempt from the sales tax, must be from the farm, i.e., from the producer. The statute specifically provides that if the sale is made by any person other than the producer, it is not exempt from the tax. It therefore stands to reason that the issue is the source of the sale rather than the place of the sale.

Please be advised that we discussed our interpretation of this statute with the Department of Revenue and were informed that the Department shares our interpretation. You may consider discussing the matter further with Revenue at (225) 925-7335, Sales Tax Division.

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If you have any questions or comments, please do not hesitate to contact our office.

With kindest regards,

Very truly yours,

RICHARD P. IEYOUB
ATTORNEY GENERAL

BY: _____
TINA VICARI GRANT
Assistant Attorney General

RPI/TVG:crt

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SYLLABUS

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