

Pennsylvania Sales and Use Tax
Mushroom Farming

TAX EXEMPT ITEMS:

Listed below are examples of items which normally are directly used in tax exempt activities when purchased by persons engaged in the businesses of spawn growing, composting or mushroom growing. Predominant use determines ultimate tax liability or exemption.

Spawn Growing

AIR CONDITIONING (environmental control of growing/culture laboratory, packaging, cold storage rooms)
AIR CONDITIONING SUPPLIES
(environmental control of growing/culture laboratory, packaging, cold storage rooms)
APRON (wearing apparel)
AUTOCLAVE (moisturizes and sterilizes grain and bottles)
BAGS (packaging materials)
BOILER (used in lieu of autoclave)
BOOTS (wearing apparel)
BOTTLES (returnable containers)
BOXES (packaging materials)
BROOMS (preserve aseptic conditions)
BUCKETS (preserve aseptic conditions)
CARTS (to move containers and bottles within operation)
CHALK (passes to purchaser as millet)
CO2 METER (tests internal humidity of culture)
DISSECTING SCOPE (observes taking of culture sample)
DISINFECTANT (used to maintain cleanliness)
ELECTRICITY (used to operate exempt equipment)
FILTER, air (preserve aseptic conditions)
FILTERS (on top of lids)
FOGGERS, misters
GAS and oil (to operate autoclave)
GLOVES (wearing apparel)
GOWNS (wearing apparel)
GRAIN (passes to purchaser as millet)
HEATING EQUIPMENT (environmental control)
HOSES (preserve aseptic conditions)
LABELS (packaging materials)

LABORATORY EQUIPMENT and supplies chemicals
LIDS (returnable containers)
LIGHTING equipment and bulbs (directly used)
MACHINE, tamping
MASKS (wearing apparel)
METER, air velocity (used in taking samples)
METER, pH (tests blend of grain and chalk-calcium chloride)
MILLET, supplements (passes to purchaser)
MONITOR, temperature (test temperature in autoclave)
MOPS (preserve aseptic conditions)
OVEN, drying (used to dry samples to test moisture)
PADS, scour (preserve aseptic conditions)
PANS, dust (preserve aseptic conditions)
PARTS, repair (exempt equipment)
PESTICIDES, pesticide applicators
PSYCHROMETER (tests internal humidity of culture)
REFRIGERATION (environmental control)
SPONGES (preserve aseptic conditions)
SPRINKLERS (adds moisture to grain)
STAMPS, rubber (packaging materials)
STENCILS (packaging materials)
TAPE, sealing (packaging materials)
TESTER, moisture (test moisture in grain)
TESTER solu-bridge, salt (used in testing samples)
THERMOMETER (used in testing)
TRIPLE beam balance (used in testing moisture in sample)
VACS, wet and dry (preserves aseptic conditions)

Composting

BUCKETS, forks for loaders
CLEANERS, alley (predominately used to recirculate compost on to the piles)
CRUSHERS, corn cob
FUEL (of exempt equipment)
GREASE, oil, antifreeze (of exempt equipment)
HOSES, pipes, couples, nozzles, irrigation
INGREDIENTS, compost, i.e. manure, hay, corn cobs, rye grain, chalk, straw, gypsum, cottonseed meal, cotton seed hulls, etc.
LOADER, front end (predominately used to mix corn husks, animal manure, etc and/or to load compost machine)
MACHINE, additive spreader (used to spread compost additives)
MACHINE, compost
PACKS, irrigation
PARTS, repair (of exempt equipment)
PUMP, irrigation
RODS, welding (repair exempt equipment)
SPRINKLER, irrigation
TARPS (protect compost materials)

Mushroom Growing:

ADVERTISING MATERIALS, direct mail
AIR CONDITIONING, permanent and portable (used to maintain temperature in mushroom houses)
ANALYZER, CO2 (tests mushroom beds)
BASKETS, plastics or "luga" (holds mushrooms following pickup)
BASKETS, steel (holding mushrooms following picking)
BED, plastic (insect control)
BOILERS (used in pasteurization of casing soil)
BOILERS (waste treatment chemicals, water softener, salt)
BROOMS (used to clean beds)
CALCIUM CHLORIDE (used on mushroom house floors to prevent insect production)
CARRIER, aluminum (transport baskets to sorting and refrigeration)
CASING SOIL BUCKETS, track, carts (used in the cleaning and pasteurization of casing soil)
CASING TRUCKS (transport casing soil to mushroom houses)
CAULKING, tanglefoot (flypaper used as insect control)
CONTAINER, stump, mushroom (used in picking)
CONVEYORS (used in filing mushroom beds)
CONVEYORS (used to remove compost from mushroom beds)
CONVEYORS systems (used in packing operation prior to wrapping operation passing to ultimate consumer)
ELECTRICITY (used to operate exempt equipment)
EQUIPMENT and supplies, nitrogen testing (test nitrogen in compost)
FANS (used to maintain required temperature and humidity in mushroom houses)
FEEDER (used for mixing and in filling mushrooms beds)
FILTER, air (mushroom house environmental control)
FORKLIFT trucks (used in filing mushroom beds)
FORKLIFT trucks (used in mushroom growing area)
FUEL (unlicensed vehicle, not subject to liquid fuels tax but subject to sales tax if vehicle is taxable)
FUEL (licensed vehicles, subject to liquid fuels tax not sales tax)
FUNGICIDES (preserve mushrooms)
GAS MASKS (protective equipment worn by production personnel)
GENERATOR (used to generate electricity to operate conveyors or feeders)
HANGERS (used to hold picker baskets)
HOSE, watering (used to washdown mushroom houses)
INSECTICIDES (preserve mushrooms)
KNIVES, pickers, paring (including charges for sharpening)
LAMPS, pickers
LOADER, front end (used predominately in filling mushroom beds)
LOADER, front end (predominately used to remove spent compost)
LUBRICANTS (of exempt machines)
MACHINE, packhouse wrapping
MACHINE, tray casing

MACHINE, tray filling
MACHINE, tray spawning
MATERIALS, packaging (packages mushroom passing to ultimate consumer)
MATERIALS, tray, i.e. wood, legs, nuts, bed board, cross piece uprights)
METER, water (used to washdown mushroom houses)
MONITORS, controllers, thermometer (used to maintain required temperature, humidity)
NATURAL GAS and electricity (used to operate exempt equipment)
PASTEURIZING equipment casing (used to pasteurize casing soil)
PESTICIDES (preserve mushrooms)
PESTICIDES, applicator
PIPING, process
RAGS (used by pickers to wipe hands to prevent spread of germs)
RODS, welding (repair exempt machines and equipment)
SHOVEL (used in casing soil operation)
SHOVEL (used to cleanout operation)
SPRAYERS, high pressure (used to washdown mushroom house for insect control)
STAMP/PADS (packaging materials)
TANGLEFOOT
TANK, chemical (used to washdown mushroom house)
TESTING fees (crop testing)
TESTING supplies (used to test compost)
TRACTORS unlicensed, used to haul trays)
TRACTORS (unlicensed, used to haul mushrooms)
TRAILERS (unlicensed, used to haul trays)
TRACK (foundation for feeder)
VENTILATING systems and equipment
WATERING equipment, i.e. nozzles, sprays, pumps (used to water mushroom beds)
WHEELBARROW (transports casing soil)

TAXABLE ITEMS

Examples of items which normally are not directly used in exempt activities when purchased by persons engaged in the businesses of spawn growing, composting or mushroom growing.

Spawn Growing:

BROOMS (for general housekeeping)
LIGHTING EQUIPMENT (general interior and exterior)
MACHINE, box making (packaging materials)
PARTS, repair (of taxable equipment)
SILOS (store purchased grain)
WHEELBARROWS (transport purchased grain)

Composting

CLEANERS, alley (predominately used for general housekeeping)
COMPRESSOR, air (general use)
CONCRETE FORMS
FENCING
FUEL (of taxable equipment)
GREASE, oil, antifreeze (of taxable equipment)
HEATERS (in sheds to protect equipment)
LADDERS (permit personnel access to compost piles)
LOADER, front end (predominately used to load delivery trucks)
MATERIALS, i.e. stone, concrete, reinforcing rods, expansion joints, sand, drainage pipes, fencing and concrete forms (used to construct and maintain compost areas)
PARTS, repair (of taxable equipment)
SCALES (weigh compost prior to delivery)
SHED STORAGE (for raw materials and equipment)
SWEEPERS, wharf (predominately used for general housekeeping)
TRACTOR, farm (licensed)
TRUCK, farm (licensed)
WHARF MATERIALS (used to construct or repair compost wharf)

Mushroom Growing:

BROOMS (general cleanliness)
CHARGER, battery (recharges picker lights)
CHEMICAL, boiler test
LADDERS (used in picking operation)
LIGHTING equipment (general interior and exterior)
LUBRICANTS (of taxable machines)
MACHINE, automatic nailing (used to assemble trays)
NATURAL GAS AND ELECTRICITY (used to operate taxable equipment, i.e. to heat administrative offices, general interior and exterior illumination)
NETTING (used to cover mushroom house doorways and other openings)
PALLETIZER, automatic (palletizes master cartons)
SCALES (weigh mushroom following final grading and/or inspection)

STAPLES, stapler (used to apply insulation)
TRACTORS (licensed)
TRUCKS, dump (licensed)