
DEPARTMENT OF STATE REVENUE**Information Bulletin #70
Sales Tax
April 2023
Effective Date: Upon Publication
(Replaces Bulletin #70, dated July 2021)****SUBJECT:** Farm Markets**REFERENCES:** [IC 6-2.5-2](#); [IC 6-2.5-5-20](#); [IC 6-2.5-6](#); [IC 6-2.5-8-1](#); [IC 6-2.5-8-8](#); [IC 6-2.5-8-9](#); [IC 6-8.1-10](#)

DISCLAIMER: Information bulletins are intended to provide nontechnical assistance to the general public. Every attempt is made to provide information that is consistent with the appropriate statutes, rules, and court decisions. Any information that is not consistent with the law, regulations, or court decisions is not binding on either the department or the taxpayer. Therefore, the information provided herein should serve only as a foundation for further investigation and study of the current law and procedures related to the subject matter covered herein.

SUMMARY OF CHANGES

Only nonsubstantive, technical changes have been made to this bulletin. It has been primarily changed to reflect updated formatting.

INTRODUCTION

The purpose of this bulletin is to provide Indiana sales tax information for persons operating private Farm Markets or participating in organized Farmers or City Markets.

SALES OF FOOD AND FOOD INGREDIENTS

Persons selling produce and other items that meet the definition of food or food ingredients for human consumption are not required to charge and remit sales tax on these items, as these items are exempt from sales tax. These persons are therefore not required to register with the Indiana Department of Revenue as a Retail Merchant if food is the only type of property that they sell. However, this exemption for food and food ingredients does not apply to items such as candy, soft drinks and prepared food items such as sandwiches, soups and other items sold for consumption at or near the premises. The exemption also does not apply to food that is not for human consumption. If the person sells both taxable and nontaxable items, the person is required to register with the department. This process is described in Section III below. For more information on the exemption for food and food ingredients, and the exceptions to this exemption, please see Sales Tax Information Bulletin #29, available online at in.gov/dor/legal-resources/tax-library/information-bulletins/sales-tax-information-bulletins/.

SALES OF ARTS, CRAFTS, AND OTHER TAXABLE ITEMS

Persons selling arts, crafts and items not suitable or intended for human consumption are retail merchants and must register and collect sales tax on such sales. Items in this category may include but are not limited to: potholders; bird houses, candles; cut flowers and flower arrangements; picnic tables, benches, chairs and other forms of lawn and patio furniture; and decorative and ornamental items such as gourds, ornamental corn and bittersweet corn.

If a person is selling taxable items, they must register with the department. Merchants should register to collect sales tax by visiting the State of Indiana's INBiz website, which allows businesses to register with multiple state agencies, at inbiz.in.gov. There is a one-time registration fee of \$25.00.

Upon registration and for the first full year, the merchant will be required to file sales tax returns (Form ST-103) based on their taxable sales volume for the preceding calendar year, as determined by the department. Sales tax returns are primarily due on a monthly basis, unless the retail merchant has annual collections of less than \$1,000, in which case the merchant will only be required to file a return annually. Alternatively, a merchant that only does business during specific months of the year can be permitted by the department to file on a seasonal basis, which will only require the filing of monthly sales tax returns for the specific months the merchant is actually open for business.

If filing on a monthly basis, sales tax returns are due on the 30th day of the month following the close of the reporting period, unless the average monthly tax due for the preceding year is in excess of \$1,000.00, in which case the returns must be filed by the 20th day of the month following the close of the reporting period. Sales tax returns can be filed using the department's online e-services portal, called the Indiana Taxpayer Information

Management Engine (INTIME), which can be accessed at intime.dor.in.gov. Even if no tax is due for a particular period, a return must still be filed (called a "zero return").

Failure to file returns or filing returns after the due date will result in the assessment of penalty and interest. If no return is filed for a taxable period, the department may prepare an estimated return on your behalf, and generate a tax liability. If the department prepares this estimated return, the penalty due is 20% of the tax amount assessed.

SALES TO OTHER MERCHANTS

If a person sells to a commercial buyer or other merchant for the purpose of resale, the buyer must issue an exemption certificate. They may either use Form ST-105, a Streamlined Sales Tax exemption certificate (SSTGB Form F0003), or a direct payment permit issued by the department. The merchant must retain a copy of the form or permit and will then report these sales as exempt sales on their ST-103.

Persons having questions or desiring additional information may contact DOR Customer Service at (317) 233-2240 or use the customer support function within INTIME.

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Commissioner

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