810-6-3-.29. Grass Sod.

(1) The gross receipts from sales of grass sod of all kinds and character when in the original state of production or condition of preparation for sale, when such sales are made by the producer or members of his family or for him by those employed by him in the production thereof, are exempt from sales and use tax. This exemption does not apply to sales of grass sod by a person engaged in the business of selling plants, seedlings, nursery stock, or floral products. (Section 40-23-4(a)(31))

(2) Sales of grass sod by the person or corporation that planted, cultivated, and harvested the sod are exempt from sales and use tax. Unlike the exemption outlined in paragraph (1) above, this exemption is not lost to the producer who also sells plants, seedlings, nursery stock, or floral products. (Section 40-23-4(a)(44))

(3) A seller who claims the exemption outlined in paragraph (2) must keep sufficient records to document such claims; and, in the absence of sufficient documentation, shall be liable for the sales or use tax due on all sales for which exemption claims cannot be verified by the Revenue Department. (Adopted October 29, 1976, readopted through APA effective October 1, 1982, amended May 22, 1993)