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1 A JOINT RESOLUTION directing the Department of Revenue to evaluate and 2 report on the cost of production of agricultural tax exemption number cards.

- WHEREAS, agriculture is a vital economic driver in Kentucky and when agriculture thrives, the state's economy thrives. In 2020, a partnership between the Department of Revenue and Kentucky farmers was established to aid Kentucky farmers in their daily operations; and
- 7 WHEREAS, with the passage of Senate Bill 148 in 2020, the General Assembly 8 granted eligible farmers a sales and use tax exemption number applicable on the purchase 9 of certain agricultural items, allowing farmers to retain more of their hard earned funds; 10 and
- WHEREAS, many Kentucky farmers have benefited and continue to benefit from the successful implementation of the agricultural tax exemption program. Farmers, retailers, and buyers utilize the streamlined services operated by the Department of Revenue to self-certify, and access to a searchable database allows retailers to verify a farmer's assigned tax exemption number. However, a need has arisen for a physical tax 16 exemption card to be issued to eligible farmers to provide ease of usage when making purchases;
- 18 NOW, THEREFORE,

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- 19 Be it resolved by the General Assembly of the Commonwealth of Kentucky:
- 20 → Section 1. The Department of Revenue is hereby directed to compile a report on 21 the in-house or third-party production costs for a physical agricultural tax exemption card 22 to be issued to all participating farmers.
- 23 **→**Section 2. In addition to reporting on the production costs of the physical 24 agricultural tax exemption cards, the Department of Revenue shall include in its report 25 implementation data from other states that issue physical agricultural tax exemption 26 cards.
- 27 **→**Section 3. The Department of Revenue shall submit the report required in

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1 Section 1 of this Resolution by December 1, 2025, to the Legislative Research

2 Commission for the referral to the Interim Joint Committee on Agriculture and the

3 Interim Joint Committee on Appropriations and Revenue.