



Executive Summary

This memorandum compares Arkansas's agricultural sales tax exemptions with those in neighboring states, including Missouri, Oklahoma, Tennessee, and Texas. All five states provide exemptions for core agricultural inputs such as farm machinery, feed, fertilizer, and certain livestock-related supplies. However, the scope and specificity of those exemptions vary significantly across states. Compared to neighboring states, Arkansas applies a narrower exemption framework focused on equipment used directly and exclusively in farming operations. In contrast, several neighboring states offer broader or more detailed exemptions for forestry equipment, consumable supplies, utility vehicles, fuels, and specialized agricultural structures.

Research Methods

Statutory and agency document review of Arkansas, Missouri, Oklahoma, Tennessee, and Texas farming tax exemption frameworks

Findings and Analysis

Arkansas provides tax exemptions for farm machinery, livestock and poultry feed, agricultural fertilizers and chemicals, vaccines and medications, and irrigation-related water purchases.^{1,2,3} Arkansas law only limits the tax exemption to equipment used directly and exclusively for farming practices.⁴ Arkansas specifically excludes timber production equipment, registered motor vehicles, airplanes, and hand tools from qualifying for the tax exemption.⁵ Arkansas generally applies a narrower, direct, and exclusive agricultural-use standard than some neighboring states.

Arkansas and select border states all exempt core agricultural production inputs.¹ Common farming-related exemptions include tractors, combines, feed, seed, fertilizer, pesticides, irrigation equipment, and livestock medication. Missouri, Oklahoma, and Texas explicitly exempt repair and replacement parts for qualifying agricultural machinery, while Arkansas and Tennessee use broader exemption language focused on qualifying agricultural equipment and inputs.^{6,7,8,9,10,11,12} All five states limit agricultural exemptions primarily to commercial agricultural production rather than to personal or hobby farming.

Arkansas and its neighboring states all provide exemptions for core agricultural machinery and production equipment, though the specificity of those exemptions varies considerably. Arkansas statutes define exempt farm machinery in broader terms, focused on equipment used directly and exclusively for farming operations.¹³ By contrast, Texas and Oklahoma maintain more detailed exemption frameworks that identify qualifying items through statutes.^{14,15} Missouri's exemption structure also extends beyond traditional farm machinery to include certain utility vehicles, grain storage infrastructure, fencing materials, forestry equipment, and aircraft used for aerial application of agricultural chemicals.¹⁶

Several states also differ in how they treat forestry-related equipment and motor vehicles used in agricultural operations. Arkansas explicitly excludes timber production, motor vehicles subject to registration, airplanes, and hand tools from its farm machinery exemption.¹⁷ Tennessee, by contrast, specifically includes timber-harvesting equipment within its agricultural exemption framework.¹⁸ Missouri similarly extends exemptions to forestry machinery.¹⁹ The

¹ Select border states are Missouri, Oklahoma, Tennessee, and Texas



treatment of motorized agricultural equipment also varies among states, with Oklahoma excluding highway-licensed motor vehicles from farm machinery exemptions.²⁰

Neighboring states also vary in the extent to which exemptions apply to consumable supplies and fuels. Oklahoma and Texas maintain especially detailed lists of exempt consumable items.^{21,22} Arkansas statutes provide exemptions for major agricultural inputs, though the statutory language is more general.²³ Missouri’s framework exempts certain electricity, propane, natural gas, and diesel fuel used in agricultural production and crop-drying activities.²⁴ Tennessee also exempts gasoline and diesel fuel used in qualifying agricultural operations.²⁵ These distinctions illustrate varying state approaches to defining which operational inputs are considered integral to commercial agricultural production.

The table below identifies specific examples of farming items that are tax-exempt in Arkansas and select neighboring states. This list may not be exhaustive.

	Arkansas	Missouri	Oklahoma	Tennessee	Texas
Farm Machinery	✓	✓	✓	✓	✓
Feed	✓	✓	✓	✓	✓
Fertilizer	✓	✓	✓	✓	✓
Livestock Medications	✓	✓	✓	✓	Limited
Timber Equipment	No	Partial	Limited	✓	Limited
Utility Vehicles	No	✓	Partial	No	Limited
Fuel Exemptions	Limited	✓	✓	✓	Limited
Irrigation Equipment	✓	Limited	✓	Limited	✓
Fencing Materials	No	✓	✓	No	Limited

¹ Arkansas Code Annotated § 26-52-403, “Farm Equipment and Machinery — Definitions,” LexisNexis Advance, accessed May 21, 2026. [A.C.A. § 26-52-403](#)

² Arkansas Code Annotated § 26-52-404, “Feedstuffs,” LexisNexis Advance, accessed May 21, 2026. [A.C.A. § 26-52-404](#)

³ Arkansas Code Annotated § 26-52-405, “Agricultural Fertilizer, Limestone, and Chemicals,” LexisNexis Advance, accessed May 21, 2026. [A.C.A. § 26-52-405](#)

⁴ Arkansas Code Annotated § 26-52-403, 1

⁵ Ibid.

⁶ Ibid.

⁷ Arkansas Code Annotated § 26-52-404, 1

⁸ Arkansas Code Annotated § 26-52-405, 1

⁹ Missouri Department of Revenue, “Sales and Use Tax Exemption List,” accessed May 22, 2026, <https://dor.mo.gov/taxation/business/tax-types/sales-use/exemption-list.php>.

¹⁰ Oklahoma Administrative Code § 710:65-13-15, “Agricultural Exemptions,” Legal Information Institute, Cornell Law School, accessed May 22, 2026, <https://www.law.cornell.edu/regulations/oklahoma/OAC-710-65-13-15>.

¹¹ Tennessee Department of Revenue, “Agricultural Exemption,” accessed May 22, 2026, <https://www.tn.gov/revenue/taxes/sales-and-use-tax/exemptions-certificates-credits/agricultural-exemption.html>.

¹² Texas Comptroller of Public Accounts, *Texas Agricultural Sales Tax Exemptions* (Austin, TX: Texas Comptroller of Public Accounts, accessed May 22, 2026), <https://comptroller.texas.gov/taxes/publications/96-1112.pdf>.

¹³ Arkansas Code Annotated § 26-52-403, 1

¹⁴ Texas Comptroller of Public Accounts, 1



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- ¹⁵ Oklahoma Administrative Code § 710:65-13-15, 1
 - ¹⁶ Missouri Department of Revenue, 1
 - ¹⁷ Arkansas Code Annotated § 26-52-403, 1
 - ¹⁸ Tennessee Department of Revenue, 1
 - ¹⁹ Missouri Department of Revenue, 1
 - ²⁰ Oklahoma Administrative Code § 710:65-13-15, 1
 - ²¹ Ibid.
 - ²² Texas Comptroller of Public Accounts, 1
 - ²³ Arkansas Code Annotated § 26-52-405, 1
 - ²⁴ Missouri Department of Revenue, 1
 - ²⁵ Tennessee Department of Revenue, 1