

LOGGING

Idaho State Tax Commission
800 Park Blvd., Plaza IV
Boise, ID 83712-7742
tax.idaho.gov

This publication explains how the logging exemption applies to the purchase of equipment and materials used for logging operations in Idaho. Loggers can buy some materials, supplies, and equipment without paying sales tax because of this exemption.

What is the logging exemption?

The logging exemption eliminates sales tax on the purchase of items used directly in harvesting forest trees. Logging includes the cutting, skidding, loading, thinning, or decking of forest trees that the timber owner will sell. (See the Idaho Sales & Use Tax Administrative Rules, [Logging \(Rule 102\)](#) for more information.)

Does the purchase of my equipment and materials qualify for the exemption?

It may qualify if the equipment and materials are primarily used in any of the logging activities listed above. You don't have to own the timber to claim the exemption. In some situations, these purchases may also qualify even though logging isn't the primary activity of your business.

For example, road builders may qualify for the logging exemption on the equipment they use to remove forest trees from a road right-of-way. To qualify, they must meet two conditions:

1. The trees they harvest must be sold by the timber owner, and
2. The equipment must be used primarily to harvest forest trees (more than 50% of the equipment's time).

What equipment and materials don't qualify?

The purchase of equipment and materials doesn't qualify when they're used for the following purposes:

- Cutting firewood, even if the wood is resold
- Harvesting trees other than forest trees
- Harvesting forest trees that won't be resold

How do I claim an exemption?

You can claim the exemption by giving the seller a completed [Form ST-101](#), Sales Tax Resale or Exemption Certificate. Once on file with the vendor, this form is valid for all future exempt sales to this customer. (For more information, see [Retailers and Wholesalers: Making Exempt Sales \(#5\)](#) and the Idaho Sales & Use Tax Administrative Rules, [Certificates For Resale And Other Exemption Claims \(Rule 128\)](#).)

When is a purchase exempt from tax?

The purchase of equipment and supplies qualifies for the exemption if all of the following criteria apply to them:

- "Directly" used in logging
- Used between the beginning and ending point of logging
- "Necessary" to the operation
- "Primarily" used for logging

Logging begins when trees are first handled by the logger at the forest site. It ends when the logs are placed on trucks at the loading site (deck).

Items are "necessary" if they're required for logging.

Items are "primarily" used in logging if more than 50% of their use is spent in logging.

Examples of tax-exempt purchases

- Chain saws costing more than \$100 and parts and supplies for these saws, including chains, saw parts, oil mix, bar oil, and bar covers
- Skidders, tree harvesters, feller bunchers, log

processors, unlicensed log loaders and jammers, and parts and supplies for this equipment, including fuel, oil, and antifreeze

- Chokers, skidder cable, and yarders
- Talkie Tooters
- Tree marking paint

What makes a purchase taxable?

The purchase of some items doesn't qualify for the logging exemption and must be taxed when any one of the following applies:

- Not "directly" used in logging
- Used before the "beginning" point or after the "ending point" of logging
- Not "primarily" (more than 50%) used in logging
- Not "necessary"

Other items are excluded from the exemption by law.

What if a vendor doesn't charge me sales tax on a taxable purchase?

If you haven't paid sales tax, then you owe use tax. Use tax is a tax on the purchase of goods you either use or store in Idaho. The use tax rate is the same as the sales tax rate. For more information, see [Use Tax \(#2\)](#).

Examples of taxable purchases

- Hand tools costing \$100 or less, regardless of use:
 - Hand saw
 - Mallet, sledge
 - Axe sheath
 - Log measuring tape
 - Wedge
 - Axe, maul
 - Pulaski
- Safety equipment and supplies:
 - Fire suppression equipment
 - Fire trucks and fire extinguishers
 - Hard hats, helmets
 - Shoulder pads
 - Earplugs
 - Gloves
 - Calk boots
 - Safety chaps
- Repair or maintenance equipment and supplies:
 - Saw sharpening equipment
 - Saw files
 - File guide tools
 - Shop equipment, even if used to repair exempt equipment
 - Shop tools
 - Compressors
 - Drills
 - Welders
 - Wrenches
 - Grease guns

- Shop supplies
 - Welding gases, flints
- Slash disposal or brush piling and clearing equipment and supplies (except for tree farms):
 - Brush rakes
 - Brush clearing machines
 - Tractors used for this purpose
 - Fuel for this equipment
 - Parts and supplies for this equipment
- Reforestation equipment and supplies (except for tree farms)
- Licensed motor vehicles and trailers, and any parts and supplies for licensed equipment:
 - Log trucks and trailers (taxable even if not licensed)
 - Parts for log trucks and trailers
 - Tie downs, slings
 - Log loaders and jammers, if licensed
- Road construction equipment, parts, and supplies:
 - D-8s, D-9s
 - Road graders
 - Off-road fuel used for this equipment, if no fuel tax was paid
 - Rollers
 - Water trucks
 - Parts and supplies for this equipment
- Road building materials, or anything else used to improve or become a part of real property:
 - Culvert
 - Bridge materials
 - Dust suppression products
 - Explosives
 - Guardrails
 - Gravel
 - Fill materials
 - Gates, fence posts
- Aircraft, parts, and supplies:
 - Helicopters, even if used in logging
- Recreation vehicles, parts, and supplies:
 - Snowmobiles
 - Fuel used off-road if no fuel tax is paid
 - ATVs
- Equipment and supplies used for any of the following:
 - Office
 - Janitorial services
 - Transportation activities
 - Log trucks and trailers
 - Tie downs, cable
 - Selling and distribution
 - Research
 - Personal items such as shirts, pants, suspenders, boots

NOTE: Heavy trucks and trailers used in interstate commerce may qualify for a different exemption. For more information, see [Transportation \(#41\)](#).

This publication doesn't provide full explanations of Idaho tax laws or rules. For more information, contact:

- Idaho State Tax Commission: In the Boise area, 334-7660; Toll free, (800) 972-7660
- Hearing impaired: TDD (800) 377-3529
- tax.idaho.gov