

Amended Definition of Commercial Horse Boarding Operation

On August 20, 2002, Governor George E. Pataki signed Chapter 445 of the Laws of 2002 into law. Effective January 1, 2003, this legislation, in part, amends the definition of *commercial horse boarding operation* in Section 301 of the Agriculture and Markets Law. That definition is used for purposes of the exemptions from State and local sales and compensating use taxes under sections 1115(a)(6), (15) and (16) of the Tax Law for certain property and services used or consumed predominantly in farm production or in a commercial horse boarding operation, or in both. TSB-M-00(8)S, *Farmers and Commercial Horse Boarding Operations*, provides detailed information about those exemptions.

Chapter 445, in part, reduces from ten acres to seven acres the minimum acreage required for an agricultural enterprise to qualify as a *commercial horse boarding operation*. Therefore, effective January 1, 2003, for purposes of the exemption addressed in TSB-M-00(8)S:

- a *commercial horse boarding operation* means an agricultural enterprise, consisting of at least **seven acres** and boarding at least ten horses, regardless of ownership, that receives \$10,000 or more in gross receipts annually from fees generated either through the boarding of horses or through the production for sale of crops, livestock, and livestock products, or through both such boarding and such production. A commercial horse boarding operation does not include operations whose primary on-site function is horse racing.

All other information in TSB-M-00(8)S is still valid.