SUMMARY
AB 1247 will provide statutory clarification that compost or “organic input material” is not subject to sales tax when it is applied to land which will be used to grow food crops.

NEED FOR THE BILL
The state has numerous goals promoting the creation and use of compost. Composting diverts organic waste from the landfill and has been identified as a cost effective method to reduce greenhouse gas emissions. Further, the application of compost in agriculture and landscaping has been shown to offer significant soil carbon sequestration and water quality benefits, provide erosion control, reduce the need for synthetic fertilizers and pesticides, and conserve water and energy required for irrigation.

Though compost provides significant benefits to our economy and environment, it remains unclear in tax code and in its enforcement, as to which organic input materials are exempt from sales tax. AB 1247 seeks to clarify that all certified organic input material used for food production are exempt from sales tax.

WHAT THE BILL DOES
AB 1247 will make it clear that compost or “organic input material” is not subject to sales tax when it will be applied to land which will be used to grow food crops as with other commercial fertilizers.

SUPPORT
California Compost Coalition (Sponsor)
Agromin

OPPOSITION
None at this time

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