What are tonnage tax/inspection fees? Inspection fees/tonnage tax are charges assessed by the state(s) on feed and feed ingredients to offset some of the state’s cost of inspecting, sampling, analyzing and administering the state’s commercial feed laws. The Department of Agriculture of each state obligates Ag Processing Inc (AGP) to report by customer the tons of all feed and feed ingredients distributed into or within their state. The inspection fee/tonnage tax reported and paid by AGP is based upon the tons sold to our customer(s) within the state multiplied by a tonnage tax rate. However, some states grant some of our customers an exempt status due to the nature of their business when specifically exempted by the laws of the state and when our customer(s) has/have accepted the responsibility in a written agreement with AGP (see Ag Processing Inc Tonnage Tax by State Exemption Form) to report and pay the inspection fees (tonnage tax) directly to the state(s).

To obtain an exempt status from a state, an applicant must follow the rules and filing requirements of the Department of Agriculture of each state. Some states have a web page that details the process in applying for the exempt status. To determine the requirements for the remaining states, the applicant should contact each state’s Department of Agriculture.

AGP’s Invoicing Policy Concerning Tonnage Tax/Inspection Fees. Since some AGP customers are taxable and some customers are exempt from tonnage tax, AGP’s pricing policy and computer systems were created to invoice our customers for the inspection fee/tonnage tax unless the customer meets and accepts all four of the following conditions:

1. Is granted an exemption by the state.
2. Is willing to accept the responsibility for reporting the tonnage of the feed and feed ingredients along with paying the applicable tonnage taxes to the appropriate state(s).
3. Requests exemption with AGP by submitting a completed Tonnage Tax by State Exemption Form.
4. The state exemption can be verified by AGP.

The Ag Processing Inc Tonnage Tax by State Exemption Form is designed to identify a customer that:

- Has exempt status with a state (customer has applied, received and maintained exempt status based upon the laws of the state).
- Understands and agrees to their responsibility in reporting and remitting tonnage tax directly to the state(s).
- Is interested in requesting the exemption with AGP and is interested in entering into a contractual agreement with AGP concerning tonnage tax reporting and the payment of tonnage tax. The signed exemption request form shifts the fiduciary obligation of reporting and remitting the tonnage tax to our customer.

If your company qualifies for the state exemption and is interested in applying for the exempt status with AGP, please complete the Ag Processing Inc Tonnage Tax by State Exemption Form.

The completed “Tonnage Tax by State Exemption Form” should be returned to:

Tonnage Tax Accounting
Ag Processing Inc
PO Box 2047
Omaha, NE 68103-2047

-or-

Via E-Mail to: TonnageTax@agp.com

If you have any questions, contact Tonnage Tax Accounting at AGP’s Corporate Office: (402)-496-7809.