

FARMLAND PRESERVATION TAX CREDITS

FP ZONING AND FP AGREEMENTS SIGNED OR MODIFIED AFTER JULY 1, 2009


FARMLAND PRESERVATION PROGRAM

What is the farmland preservation tax credit?


The farmland preservation tax credit can be claimed by landowners who participate in the state's farmland preservation program. In exchange for the credit, these landowners keep land in agricultural use and meet state soil and water conservation standards. Land that is located in a certified farmland preservation zoning district or covered by a farmland preservation agreement signed or modified after July 1, 2009, must use Schedule FC-A to claim the credit. Tax credit amounts equal:



\$5.00/Acre for landowners with a farmland preservation agreement signed after July 1, 2009 and located in an agricultural enterprise area, or for landowners who have modified an agreement signed before July 1, 2009



\$7.50/Acre for landowners in an area zoned for farmland preservation



\$10.00/Acre for landowners in an area zoned for farmland preservation and in an agricultural enterprise area with a farmland preservation agreement signed after July 1, 2009, or in an area zoned for farmland preservation and with a farmland preservation agreement modified after July 1, 2009

What are the eligibility requirements to claim the tax credit?

- ✓ Must be a Wisconsin resident
- ✓ Land must meet at least one of the following: (a) be within a certified farmland preservation zoning district, (b) be in an agricultural enterprise area and covered by a farmland preservation agreement, and/or (c) covered by a farmland preservation agreement signed before July 1, 2009 that has been modified
- ✓ Land must have produced at least \$6,000 in gross farm revenue during the previous year or \$18,000 in gross farm revenues during the previous three years
- ✓ Property taxes for the previous year must have been paid
- ✓ Claimant must have a certificate of compliance from the county's land conservation committee to show that the farm meets state soil and water conservation standards

NOTE: Most FP tax credit claimants should use Schedule FC-A to claim the tax credit. Schedule FC should only be used if a landowner has a farmland preservation agreement that was signed before July 1, 2009, and has not expired or been modified. Landowners whose land is covered by a pre-2009 agreement and a farmland preservation zoning district may not claim on both Schedule FC and Schedule FC-A, the landowner must choose between the two credits. It is possible, however, to modify a pre-2009 agreement to take advantage of the flat, per-acre tax credit available under s. 71.613, Wis. Stats.

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What is a Certificate of Compliance (COC)?

A COC is issued by the county land conservation department and signifies that the land meets state soil and water conservation standards. All claimants must receive a COC in order to claim the farmland preservation tax credit. The first time a claimant claims the credit, the COC should be attached to the claim.

Certificate of Compliance Number (COC Number)

To claim the credit for the 2016 tax year, a landowner must have been issued a unique COC number. Claimants are required to enter this number on Schedule FC-A to show eligibility for the FP tax credit. The number is seven digits in following format: XX- XXXXX. The first two numbers are specific to the county that issues the COC and the subsequent five numbers are assigned by the County as COCs are issued. Both the County and Department of Revenue (DOR) track the COC numbers to allow DOR to cross-check landowner eligibility against farmland preservation claims.

Schedule FC-A Question 3

In previous tax years, question 3 of Schedule FC-A asked whether each farm on which the claim is based was in compliance with applicable soil and water conservation standards. Beginning in 2016, this question will ask whether the claimant has a certificate of compliance for each farm on which the claim is based and will then direct the claimant to enter the 7-digit COC identification number(s) on the "Qualifying Acres Schedule." Landowners may receive more than one COC number if they have an ownership interest in multiple farms. There is space on the schedule for entering multiple numbers. Entering a COC number does not replace the requirement to attach a COC if a landowner is claiming the FP credit for the first time.

COCs and Notices of Noncompliance (NON)

If land is determined to be out of compliance with applicable conservation standards, the county may issue a Notice of Noncompliance (NON). A copy of the NON goes to DOR and prevents the landowner from claiming the credit until the land is brought back into compliance and the NON is cancelled.

For more information visit the department's website at <http://datcp.wi.gov> and search for

"Farmland Preservation Tax Credits" or call (608)224-4634



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