Wisconsin Department of Revenue

Wisconsin Farmland Preservation Credit

For Use in Preparing 2025 Claims

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TABLE OF CONTENTS

Page

1. WHICH SCHEDULE TO FILE 3

2. SCHEDULE FC 3

A. Definitions 3

(1) Owner 3

(2) Household 4

(3) Household income 4

(4) Gross farm profits 5

B. Who May Claim the Credit 5

C. How to File a Claim 6

D. When a Claim Must Be Filed 8

E. How Much Credit Is Allowable 8

(1) Credit based on the current year's law method 8

(2) Special minimum credit 9

F. Receipt of Credit Is Income 9

(1) Federal treatment 9

(2) Wisconsin treatment 9

(3) Examples 10

G. Marriage, Divorce, or Separation Occurs During the Year 10

(1) Marriage occurs during the year 10

(2) Divorce occurs during the year 10

(3) Spouses separated 11

3. SCHEDULE FC-A 11

A. Definitions 11

(1) Farm 11

(2) Farmland preservation zoning district 11

(3) Gross farm revenues 11

(4) Household 12

(5) Owner 12

(6) Qualifying acres 12

B. Who May Claim the Credit 12

C. How to File a Claim 13

D. When a Claim Must Be Filed 14

E. How Much Credit Is Allowable 14

F. Receipt of Credit Is Income 15

4. ADDITIONAL INFORMATION 15

5. APPLICABLE LAWS AND RULES 15

IMPORTANT NOTICES

- Additional information is requested when filing Schedule FC. You must enter the 5-digit agreement number(s) located on your farmland preservation agreement(s) issued by the Department of Agriculture, Trade, and Consumer Protection. See Item 2.C., *How to File a Claim*, later in these instructions.

1. WHICH SCHEDULE TO FILE

A farmland preservation credit claim may be filed using Schedule FC, Schedule FC-A, or both. However, a credit may not be claimed on the same acreage using both Schedule FC and Schedule FC-A.

File Schedule FC if 1) you are subject to a farmland preservation agreement entered into prior to July 1, 2009 (see notes below), and 2) you otherwise qualify (see "Who May Claim the Credit" on page 5).

Notes:

A farmland preservation agreement is considered entered into prior to July 1, 2009, if 1) the application for the agreement was submitted to the county clerk between January 1, 2008, and June 30, 2009, and 2) the agreement was entered into on or after July 1, 2009.

An agreement entered into prior to July 1, 2009, may be modified in order to file your farmland preservation claim using Schedule FC-A. For more information, contact the Wisconsin Department of Agriculture, Trade and Consumer Protection at (608) 224 4621, (608) 224-4611, or DATCPWorkingLands@wisconsin.gov.

File Schedule FC-A if 1) you have an ownership interest in a farm that is covered by an original or modified farmland preservation agreement entered into on or after July 1, 2009 (see notes above) or located in an area designated in a certified exclusive agricultural use zoning or farmland preservation zoning ordinance and 2) you otherwise qualify (see "Who May Claim the Credit" on page 12).

2. SCHEDULE FC

A. Definitions

(1) Owner

Owner means a resident of Wisconsin owning land and includes any of the following: (a) an individual, (b) a corporation, including a publicly traded partnership or a limited liability company (LLC) treated as a corporation, incorporated in Wisconsin, (c) a grantor of a revocable trust, (d) a qualifying trust, (e) an estate, (f) each member of a partnership or association having a joint or common interest in land, (g) each member of an LLC that is treated as a partnership, (h) each shareholder of a tax-option (S) corporation, (i) the vendee under a land contract, and (j) a guardian on behalf of a ward.

When farmland is subject to a life estate, the person who has an ownership interest and is operating or renting out the farm and paying the property taxes is considered the owner. When property is transferred during a claim year by a method other than a sale, such as through a gift, divorce, death, bankruptcy, foreclosure, or repossession, the owner of the property on the property tax levy date is considered the owner.

An owner does not include the estate of an individual who is a nonresident on the date of death, a trust created by a nonresident, a trust that receives Wisconsin real property from a nonresident, or a trust in which a nonresident grantor retains a beneficial interest.

(2) Household

Household means an individual, their spouse if married, and all dependents while they are under age 18. When dependent children reach age 18, they are no longer considered members of a household for purposes of determining a farmland preservation credit.

(3) Household income

For individuals, household income means the income of an individual, the income of their spouse if married, and the farm income of all dependents while they are under age 18. Farm income is the amount of income, including wages, earned on the farm for which the claim applies.

Household income includes all income that is reportable for Wisconsin income tax purposes except nonfarm income of dependents, plus certain items excluded or deducted in computing taxable income and certain types of nontaxable income.

The excluded or deducted items include nonfarm business losses (exclusive of depreciation, amortization, depletion, and intangible drilling expenses), depreciation (except the first $25,000 of farm depreciation per household), amortization, capital gains, capital loss carryforward, net operating loss carryback, gain on the sale of a personal residence excluded for federal tax purposes (except nonrecognized gain from an involuntary conversion, such as destruction or condemnation), contributions to IRAs, self-employed SEP plans, and SIMPLE plans (except nondeductible contributions and rollover contributions), contributions to qualified plans, intangible drilling costs, and depletion allowances.

The types of nontaxable income include nontaxable social security, federal and state SSI (supplemental security income), SSI-E (supplemental security income - exceptional expense), SSD (social security disability), and CTS (caretaker supplement) payments (before any deduction of Medicare premiums); nontaxable unemployment compensation, court ordered support money, veterans' pension and disability payments, pensions, IRA, SEP, and SIMPLE payments, annuities, railroad retirement benefits, interest on U.S. securities, nontaxable interest on state and municipal bonds, workers' compensation, loss of time insurance, cash public assistance, county relief, Wisconsin Works payments, scholarships, fellowships, grants, nontaxable military compensation or cash benefits, a housing allowance provided to a member of the clergy, income of a nonresident or part-year resident spouse, nontaxable deferred compensation, nontaxable income from sources outside Wisconsin, nontaxable income of Native Americans, and a rent reduction or free rent for a resident manager.

Note: When computing household income, Do NOT include Title XX benefits (payments for services) or your children's social security or SSI benefits, whether paid to them directly or to you on their behalf.

Nontaxable amounts added to income on a farmland preservation credit claim for a previous year and repaid may be subtracted from household income in the year repaid. Scholarship and fellowship income included in taxable income may be subtracted from household income to the extent that same income was also included on a farmland preservation credit claim for a previous year. Adjust your household income by the amount of any repayment or current year's scholarship and fellowship income previously included, and enclose a written explanation for the adjustment with Schedule FC.

For corporations (except tax-option (S) corporations), household income includes: (1) income, as defined under the Wisconsin Statutes, that is reportable for Wisconsin franchise or income tax purposes; (2) any

farm business loss carryforward allowed; (3) depreciation claimed (except the first $25,000 of farm depreciation); (4) all nonfarm business losses (exclusive of depreciation); and (5) the household income of each corporate shareholder (including the shareholder's spouse and dependents while under age 18) of record at the end of the corporation's taxable year. (See the definition of household income for individuals provided earlier in this document.)

The corporate shareholders' household income is totaled using Worksheet 3 (Computing Corporation Shareholder Income), in the instructions for Schedule FC.

For estates and trusts, household income has the same meaning as for individuals; however, household income is not reduced for income distributable to the estate's or trust's beneficiaries.

(4) Gross farm profits

Gross farm profits means gross receipts from the land's agricultural use, less the cost or other basis of livestock or other items that were purchased for resale and sold or otherwise disposed of during the taxable year. Gross farm profits include the fair market value, at the time of disposition, of payments-in-kind received for placing land in federal programs.

Gross farm profits do not include receipts from renting the land, the fair market value of crops grown but not sold during the year, fuel tax credits or refunds, or a previous year's farmland preservation tax credit.

"Agricultural use" as defined in sec. 91.01, Wis. Stats., includes beekeeping; commercial feedlots; dairying; egg production; floriculture; fish or fur farming; forest and game management; grazing; livestock raising; orchards; plant greenhouses and nurseries; poultry raising; raising of grain, grass, mint, and seed crops; raising of fruits, nuts, and berries; sod farming; and vegetable raising. Agricultural use also includes placing land in federal programs in return for payments-in-kind, and owning land of which at least 35 acres are enrolled in the Conservation Reserve Program.

B. Who May Claim the Credit

An *owner* (defined on page 3) may qualify for a farmland preservation credit for 2025 if all of the following conditions are met:

(1) The owner must be subject to a farmland preservation agreement or transition area agreement that was entered into prior to July 1, 2009, and in effect on July 1, 2025. If the agreement expired in 2025, it must have expired on or after July 1, 2025.

(2) An *individual, estate,* or *trust* must be a resident of Wisconsin for the entire taxable year. The taxable year may be a calendar year (January 1 through December 31) or a fiscal year, but it must be for the same period as the income tax return.

A *corporation* must be organized under the laws of Wisconsin.

(3) An individual (and, if applicable, the individual's spouse) must not claim the homestead credit or the veterans and surviving spouses property tax credit for 2025.

(4) The 2024 property taxes for the property on which the claim is based must have been paid in full.

(5) The Wisconsin farmland on which the claim is based must be at least 35 acres.

(6) The farmland on which the claim is based must have produced at least $6,000 of gross farm profits (defined above) during the taxable year 2025 or at least $18,000 in gross farm revenues during the taxable year to which the claim relates and the two immediately preceding taxable years. However, if at least 35 acres of

the farmland were enrolled in the Conservation Reserve Program, the gross farm profits requirement does not have to be met.

If the farmland is rented out, the renter's gross farm profits produced from the farmland are used to satisfy this requirement.

Gross farm profits do not include the fair market value of crops grown but not sold during the year or receipts from renting the land.

(7) There must not have been notification that the owner is in violation of a soil and water conservation plan or standards for any farmland. However, if a notice of cancellation of the noncompliance is received before the deadline for filing the claim, the claim may be filed by the deadline, provided the other conditions are met.

Only one member of a *household* (defined on page 4) may claim the credit. If two or more members of a household each qualify (for example, where spouses are married filing separate returns), they must determine between themselves who will claim the credit.

Partners, members of LLCs treated as partnerships, tax-option (S) corporation shareholders, and grantors of revocable trusts must file for this credit as individuals on their individual income tax returns.

Corporations other than tax-option (S) corporations must file for this credit on the corporation franchise or income tax return. This includes publicly-traded partnerships and LLCs treated as corporations.

The personal representative of an estate or the trustee of a qualifying trust must file for this credit on Form 2, *Wisconsin Fiduciary Income Tax for Estates and Trusts*.

C. How to File a Claim

File 2025 Schedule FC and include all of the following items that pertain to each farm on which your claim is based:

(1) You must provide the 5-digit agreement number(s) located on your farmland preservation agreement(s) issued by the Department of Agriculture, Trade, and Consumer Protection (DATCP). If a transfer occurred and/or there is a transfer agreement, you must provide the first 5-digits from the transfer agreement or the 5-digit number from the original agreement and include a copy of the transfer agreement with the required attachments. If the claim includes more than 4 farmland preservation agreements, include a statement identifying the additional farmland preservation agreement numbers.

For information on obtaining your 5-digit agreement number, contact DATCP by calling (608) 224-4621, (608) 224-4611, or by emailing DATCP at DATCPWorkingLands@wisconsin.gov.

(2) Copies of your 2025 property tax bills.

(3) A copy of the farmland preservation agreement. If you submitted a farmland preservation agreement with a previous year's farmland preservation credit claim and no information on it has changed, you do not need to enclose another one with your 2025 claim. However, before you file your claim you must notify the County Land Conservation Committee that you intend to file a 2025 Schedule FC. You must also place a checkmark in the designated area on Schedule FC, line 18, certifying that all of the information on the previously submitted farmland preservation agreement is still applicable, and that you have notified the County Land Conservation Committee that you intend to file a 2025 Schedule FC.

If you have an agreement that was extended to 25 years, enclose a copy of the executed extension agreement. Also enclose a copy of the original agreement if the parcel numbers are not shown on the

extension agreement. Include Exhibit "A," if made part of the original agreement to provide the legal description of the property.

If a different numbering system is used to identify parcels on the agreement and the property tax bills, enclose an explanation to reconcile the difference.

(4) A copy of the statement of transfer of property subject to farmland preservation agreement. Also enclose a copy of the original agreement if the parcel numbers are not shown on the transfer agreement. Include Exhibit "A," if made part of the original agreement to provide the legal description of the property.

If a different numbering system is used to identify parcels on the agreement and the property tax bills, enclose an explanation to reconcile the difference.

(5) A copy of the closing statement signed by both the buyer and the seller, and the deed or land contract relating to the purchase or sale, if any of the farmland on which the claim is based was purchased or sold during the claim year.

(6) A copy of documentation to verify your percentage of ownership in the property.

(7) A copy of a statement signed by your county treasurer, indicating the date your 2024 property taxes were paid in full, if any of your 2025 property tax bills show unpaid prior year taxes.

Note: Incomplete claims or claims without proper enclosures may be questioned. Be sure your claim is complete so your credit is not delayed.

Schedule FC should be enclosed (paper clipped) immediately behind your Wisconsin individual income tax form, corporation franchise or income tax form, or estate or trust tax form that is filed with the Wisconsin Department of Revenue.

However, if you have already filed your 2025 Wisconsin tax return and later decide to file a claim for farmland preservation credit for the same taxable year, do the following:

- Complete an amended tax return and enclose Schedule FC with it.
- Write "Tax Return Previously Filed" at the top of Schedule FC.
- Include a complete copy of your 2025 Wisconsin and federal tax return, marked "Copy."
- Mail them to the address shown on the amended tax return.

Electronic Filing: If you file Schedule FC electronically, mail all of the required Schedule FC enclosures, along with a completed Form W-RA, *Required Attachments for Electronic Filing*, to Wisconsin Department of Revenue, P.O. Box 8977, Madison, WI 53708-8977.

Notes:

- Form W-RA and attachments may be transmitted to the department in an electronic file over the internet. Additional information and instructions for this application are available on the department's website at revenue.wi.gov under "Online Services."
- Wisconsin e-file is no longer available for Schedule FC. However, you will still be able to electronically file Schedule FC using modernized e-file.

D. When a Claim Must Be Filed

Your 2025 farmland preservation credit claim may be filed at any time up to four years after the unextended due date of your 2025 tax return. For calendar year filers, the deadline for filing a 2025 Schedule FC is April 15, 2030.

E. How Much Credit Is Allowable

The maximum amount of farmland preservation credit you can receive is $4,200. Generally, the higher your property taxes, the higher the credit, and the lower your *household income* (defined on page 4), the higher the credit. Only the first $6,000 of net property taxes levied in 2025 on farmland and improvements on which a claim is based may be used in computing the amount of credit available on a 2025 claim.

"Net property taxes" are the net real estate taxes after state aids, school tax credits, the first dollar credit, and the lottery and gaming credit, if applicable. Net property taxes do not include personal property taxes, special assessments, delinquent interest, charges for services, dog license tax, or tax for managed forest land or forest cropland. Property taxes are "levied" on the date the property tax roll is delivered to the local treasurer for collection, usually in early December of each year.

If you sold property on which the claim is based during the taxable year, you may claim only the portion of property taxes prorated to you in the closing statement pertaining to the sale. If no property taxes are prorated in the closing statement, you may not use those property taxes in your computation. If you purchased property on which the claim is based during the taxable year, you may claim the total net property taxes less the amount, if any, allocated to the seller in the closing statement.

If any property on which the claim is based is owned by a partnership, LLC treated as a partnership, or tax-option (S) corporation, or is co-owned with persons or entities other than a member of your household, you may claim only the portion of property taxes that reflects the ownership percentage of you and your household. If the property tax bills list names other than yours or a member of your household's as the owner, and either you did not verify your ownership with a previous year's Schedule FC or your ownership percentage has changed since 2024, submit verification of your percentage of ownership in the property.

If you have a property tax bill that includes land located partly inside and partly outside an exclusive agricultural use district, land that is not subject to your farmland preservation agreement, or land which is used to compute a credit using Schedule FC-A, you must prorate the property taxes to arrive at the amount to use for farmland preservation credit. To do this proration, you may use Worksheet 2 (Property Tax Proration), in the instructions for Schedule FC.

(1) Credit based on the current year's law method

Farmland preservation credit is generally computed using the law in effect at the end of the taxable year (the "current year's law" method). The table below contains examples of the amount of credit claimants can receive based on various household income amounts as computed under the current year's law method, and various net property taxes.

Household Income Schedule FC, Line 10	Net Property Taxes Schedule FC, Line 11b	Credit Schedule FC Instructions, Table 2
$5,000	$2,000	$1,791
$10,000	$2,000	$1,484
$15,000	$4,000	$2,638

$20,000	$4,000	$2,261
$25,000	$5,000	$2,361
$30,000	$6,000	$2,115

A claimant will receive 80% of the credit shown in the above table.

Note: If you have farmland in two or more municipalities, part of the farmland may qualify for 80% of the credit and part may qualify for 70% or 100% of the credit. If this is the case, you should compute your farmland preservation credit using the "multiple municipality proration" method, by completing Worksheet 1 (Multiple Municipality Proration), in the instructions for Schedule FC.

(2) Special minimum credit

Regardless of the amount of your household income, you are entitled to a minimum farmland preservation credit if you meet all of the other conditions (see Part B on page 5), and you compute your credit using the current year's law method. The amount of credit available is 10% of your property taxes. Since allowable property taxes are limited to $6,000, the maximum credit available under this provision is $600 ($6,000 x 10%).

F. Receipt of Credit Is Income

A farmland preservation credit from Schedule FC that you receive **may** be includable as income for federal income tax purposes, as explained in Part 1. However, regardless of whether the credit is includable for federal tax purposes, the full amount of any farmland preservation credit received **must** be included in taxable income for Wisconsin income tax purposes, as explained in Part 2. A farmland preservation credit is considered "received" whether it is paid to you by check or direct deposit, credited against your franchise or income tax, or offset against a delinquent tax or other debt on the department's records.

(1) Federal treatment

If you receive a farmland preservation credit, the federal tax treatment of the credit depends on whether you take a deduction for the property taxes upon which the credit is based, and when this deduction is taken. If you already deducted your property taxes on your federal tax return, you must include the credit in gross income to the extent of any federal income tax benefit received (see Example 1 in Part 3). If you have not deducted and will not deduct your property taxes on your federal tax return, you have received no tax benefit and are not required to include the credit in gross income. If you will be deducting your property taxes on your federal tax return for the same year the credit is received, you must reduce the deduction by the amount of the credit (see Example 2 in Part 3).

(2) Wisconsin treatment

The total amount of farmland preservation credit you receive must be included in taxable income on your Wisconsin individual income tax return, corporation franchise or income tax return, estate tax return, or trust tax return for the year in which it is received. Any portion not included in federal adjusted gross income (the starting point for determining Wisconsin taxable income) must be included as an addition to federal income reported on the 2025 Schedule AD, Form 1 – *Additions to Income*, line 13.

Partners, members of LLCs treated as partnerships, tax-option (S) corporation shareholders, and grantors of a revocable trust must report their credit received as other income on their individual income tax returns. The credit should not be reported as income on the tax return of the partnership, LLC, or tax-option (S) corporation.

Your farmland preservation credit will decrease any income tax due or increase any income tax refund. The full amount of the credit allowed, rather than the net amount received, must be included in Wisconsin taxable income. As an illustration, assume that on your 2024 Wisconsin Form 1 you have a tax liability of $600 and are allowed a farmland preservation credit of $1,000, resulting in a refund check of $400, which you receive in 2025. The total credit of $1,000 is taxable income on your 2025 Wisconsin income tax return, not just the $400.

(3) Examples

Example 1: You file a 2024 farmland preservation credit claim based on 2024 property taxes of $5,500, which you paid in 2024. You deducted the taxes on your 2024 federal return and received a tax benefit from the deduction. You receive a 2024 farmland preservation credit of $1,700 in 2025.

Federal - You report the $1,700 farmland preservation credit received in 2025 as other income.

Wisconsin - The $1,700 credit is included in your federal adjusted gross income, which is the starting point for determining Wisconsin taxable income. No adjustment of that amount is required for Wisconsin purposes.

Example 2: You file a 2024 farmland preservation credit claim based on 2024 property taxes of $5,000, which were paid in 2025. Of the property taxes on which the claim is based, 85% ($4,250) are farm taxes deductible on federal Schedule F, and 15% ($750) are personal taxes deductible on federal Schedule A. You receive a 2024 farmland preservation credit of $1,600 in 2025.

Federal - You report the farmland preservation credit of $1,600 received in 2025 on your 2025 federal income tax return by reducing the farm tax deduction by 85% of the credit and the itemized deduction for property taxes by 15% of the credit. Your Schedule F deduction of $4,250 is reduced by $1,360 (85% of $1,600) to $2,890, and your Schedule A deduction of $750 is reduced by $240 (15% of $1,600) to $510.

Wisconsin - You report the farmland preservation credit of $1,600 received in 2025 on your 2025 Wisconsin income tax return by bringing $1,360 forward as federal adjusted gross income (the farm property tax deduction, which is reduced from $4,250 to $2,890 on federal Schedule F), and by adding $240 as an addition to federal income on Form 1 using the 2025 Schedule AD, *Form 1 – Additions to Income*, line 13 (this is the 15% of the credit used to reduce the itemized deduction for property taxes on federal Schedule A, which is not brought forward to Wisconsin Form 1).

G. Marriage, Divorce, or Separation Occurs During the Year

(1) Marriage occurs during the year

Only one 2025 farmland preservation credit claim may be filed per *household* (defined on page 4). In determining household income, you must include both spouses' incomes for the entire year. The property taxes to be used in the credit computation include both spouses' total applicable farm property taxes for the entire year.

(2) Divorce occurs during the year

Both spouses may file a farmland preservation credit claim if they are legally separated under a **final** decree of separate maintenance or divorce, and both spouses have an ownership interest in the farm on the tax levy date of the claim year.

In determining household income, include the claimant's income for the entire year and none of the ex-spouse's income. However, note that the claimant's income for the portion of the year before the divorce will include one-half of the combined marital property income. Innocent spouse provisions may apply for a spouse who had no control over the marital property income and no notification of it. See Wisconsin Publication 109, *Tax Information for Married Persons Filing Separate Returns and Persons Divorced*, for more information. The property taxes to be used in the credit computation include the claimant's ownership percentage of applicable farm property taxes for the entire year and no portion of the ex-spouse's property taxes.

(3) Spouses separated

If spouses are separated during any portion of the year but are not legally separated under a **final** decree of separate maintenance or divorce, they are married and the rules for married claimants apply. See Part 1.

3. SCHEDULE FC-A

A. Definitions

(1) Farm

Farm means all land under common ownership that is primarily devoted to agricultural use as defined in sec. 91.01, Wis. Stats.

Example: You and Individual C own a 40-acre parcel in County A and a 60-acre parcel in County B. All 100 acres are primarily devoted to agricultural use. The two parcels are considered one farm.

Example: You own a 100-acre parcel with Individual D and an adjacent 80-acre parcel with Individual E. All 180 acres are primarily devoted to agricultural use. The two parcels are considered two separate farms.

(2) Farmland preservation zoning district

Farmland preservation zoning district means an area designated in a certified exclusive agricultural use zoning or farmland preservation zoning ordinance.

To determine the number of acres of a farm designated in a farmland preservation zoning district, contact the appropriate zoning authority.

(3) Gross farm revenues

Gross farm revenues means gross receipts from agricultural use of a farm, excluding rent receipts, less the cost or other basis of livestock or other agricultural items purchased for resale which are sold or otherwise disposed of during the taxable year.

"Agricultural use" as defined in sec. 91.01, Wis. Stats., means any of the following activities conducted for the purpose of producing an income or livelihood or any other use that the Department of Agriculture, Trade and Consumer Protection, by rule, identifies as an agricultural use.

- crop or forage production
- keeping livestock
- beekeeping
- nursery, sod, or Christmas tree production

- floriculture
- aquaculture
- fur farming
- forest management
- enrolling land in a federal agricultural commodity payment program or a federal or state agricultural land conservation payment program

(4) Household

Household means an individual, their spouse if married, and all dependents while they are under age 18. When dependent children reach age 18, they are no longer considered members of a household for purposes of determining a farmland preservation credit.

(5) Owner

Owner means a resident of Wisconsin owning land and includes an individual, a corporation incorporated in Wisconsin (including a publicly traded partnership or limited liability company (LLC) treated as a corporation), an estate, a grantor of a revocable trust, a qualifying trust, each member of a partnership or association having a joint or common interest in land, each member of an LLC that is treated as a partnership, each shareholder of a tax-option (S) corporation, a vendee under a land contract, and a guardian on behalf of a ward.

An owner does not include a trust created by a nonresident, a trust that receives Wisconsin real property from a nonresident, or a trust in which a nonresident grantor retains a beneficial interest. An owner also does not include the estate of an individual who is a nonresident on the date of death.

When farmland is subject to a life estate, the person who has an ownership interest and is operating or renting out the farm and paying or legally responsible for paying the property taxes is the owner who may claim the credit.

(6) Qualifying acres

Qualifying acres means the number of acres of a farm that 1) correlate to a claimant's ownership percentage and 2) are located in a farmland preservation zoning district, covered by a farmland preservation agreement, or covered by an agricultural conservation easement purchased under sec. 93.73, Wis. Stats., except that if the farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by the agricultural conservation easement and located in a farmland preservation area, as defined in sec. 91.01(16), Wis. Stats.

Example: You own 75% of a 100 acre farm. Eighty of the 100 acres are in a farmland preservation zoning district. You have 60 (80 x 75%) qualifying acres.

B. Who May Claim the Credit

Individuals (including shareholders of tax-option (S) corporations, partners, members of LLCs treated as partnerships, and grantors of revocable trusts), corporations other than tax-option (S) corporations, publicly traded partnerships or LLCs treated as corporations, estates, and qualifying trusts may qualify for a farmland preservation credit for 2025 if all of the following conditions are met:

(1) You or any member of your *household* (defined above) must have been the owner (defined above) of the Wisconsin farmland for which the credit is being claimed, at the end of the taxable year.

(2) You must have been a resident of Wisconsin for the entire taxable year. The taxable year may be either calendar year 2025 or a fiscal year beginning in 2025, but it must be for the same period covered by your 2025 income tax return.

A corporation must have been organized under the laws of Wisconsin.

(3) You and your spouse must not claim the homestead credit or the veterans and surviving spouses property tax credit for 2025.

(4) You must have paid to or be legally responsible for paying to the taxing authority the 2025 property taxes levied against the *qualifying acres* (defined above) to which the claim relates.

(5) Your *farm* (defined above) must be located in a *farmland preservation zoning district* (defined above) at the end of the taxable year to which the claim relates, must be wholly or partially covered by an original or modified farmland preservation agreement entered into after July 1, 2009, or must be wholly or partially covered by an agricultural conservation easement purchased under sec. 93.73, Wis. Stats., except that if the farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by the agricultural conservation easement and located in a farmland preservation area, as defined in sec. 91.01(16), Wis. Stats..

(6) Your farm must have produced at least $6,000 of *gross farm revenues* (defined above) during the taxable year to which the claim relates or at least a total of $18,000 in gross farm revenues during the taxable year to which the claim relates and the two immediately preceding taxable years. If you rent out your farm, the renter's gross farm revenues are used to satisfy this requirement.

(7) As of the end of the taxable year to which the claim relates, there must not have been an outstanding notice of noncompliance with a soil and water conservation plan or standards issued against your farm.

To determine if your farm is in compliance, contact the County Land Conservation Committee.

C. How to File a Claim

File 2025 Schedule FC-A and include all of the following items that pertain to each farm on which your claim is based:

(1) The 7-digit identification number(s) located on your certificate(s) of compliance (CoC) with soil and water standards issued by the county. For each farm, enter the CoC number(s) under Step 1 of the Qualifying Acres Schedule included in Schedule FC-A. If the farm is located in more than 4 counties, complete a separate Qualifying Acres Schedule(s) to include the additional certificate of compliance identification number(s) with the corresponding parcel number(s) and acres. Do NOT include more than one farm per Qualifying Acres Schedule.

(2) A copy of the certificate of compliance with soil and water standards issued by the county land conservation committee. (Exception: This enclosure is not required if 1) you submitted a certificate of compliance with a previous year's claim and 2) the farm's acreage has not since changed.)

Note: Certifications of compliance are not transferrable across ownership entities. If you bought or sold land during the course of the year, you must contact the County Land Conservation Department in the county where your farmland is located to obtain a new or updated certificate of compliance.

(3) Copies of your 2025 property tax bills or computer printouts signed by the county or municipal treasurer. The property tax bills or computer printouts must show all of the following information: the year; the owner's name; the parcel numbers and legal description of the property; the acreage; the assessed value of land and improvements; any special assessments; property taxes before and after state aids and credits, including lottery and gaming credit, if applicable; and a space for indicating whether there are unpaid property taxes for prior years.

(4) A copy of the executed original or modified farmland preservation agreement.

If a different numbering system is used to identify parcels on the agreement and the property tax bills, enclose an explanation to reconcile the difference.

(5) A copy of the closing statement signed by both the buyer and the seller, and the deed or land contract relating to the purchase or sale, if the farm on which the claim is based was purchased or sold during the claim year.

(6) A copy of documentation to verify your percentage of ownership (if there are names on the property tax bills other than yours and your spouse's and 1) you did not verify your ownership percentage with a prior year's claim or 2) your ownership percentage has changed since 2024).

Schedule FC-A should be enclosed (paper clipped) immediately behind the Wisconsin income or franchise tax return when it is filed. Your tax return and Schedule FC-A should be mailed to the address shown on the tax return.

However, if you previously filed your 2025 Wisconsin tax return and now wish to file a farmland preservation credit claim, do the following:

- Complete an amended tax return and enclose Schedule FC-A with it.
- Write "Tax Return Previously Filed" at the top of Schedule FC-A.
- Include a complete copy of your 2025 Wisconsin and federal tax return, marked "Copy."
- Mail them to the address shown on the tax return.

Electronic Filing: If you file Schedule FC-A electronically, mail all of the required Schedule FC-A enclosures, along with a completed Form W-RA, *Required Attachments for Electronic Filing*, to Wisconsin Department of Revenue, PO Box 8977, Madison WI 53708-8977.

Notes:

- Form W-RA and attachments may be transmitted to the department in an electronic file over the Internet. Additional information and instructions for this application are available on the department's website at revenue.wi.gov under "Online Services."
- Wisconsin e-file is no longer available for Schedule FC-A. However, you will still be able to electronically file Schedule FC-A using modernized e-file.

D. When a Claim Must Be Filed

A 2025 farmland preservation credit claim must be filed not later than 4 years after the unextended due date of your 2025 tax return. For calendar year filers, the 2025 Schedule FC-A must be filed by April 15, 2030.

E. How Much Credit Is Allowable

The credit is a flat rate per qualifying acre of farmland as follows:

- $12.50 per acre for qualifying acres located in a farmland preservation zoning district and are subject to a farmland preservation agreement entered into after July 1, 2009.
- $10 per acre for qualifying acres located in a farmland preservation zoning district but are not subject to a farmland preservation agreement.

- $10 per acre for qualifying acres that are not located in a farmland preservation zoning district, but are subject to a farmland preservation agreement entered into after July 1, 2009.
- $10 per acre for qualifying acres located in a farmland preservation area and are covered by an agricultural conservation easement purchased under sec. 93.73, Wis. Stats.

F. Receipt of Credit Is Income

A farmland preservation credit from Schedule FC-A is income for federal income tax purposes and Wisconsin income and franchise tax purposes in the year received.

4. ADDITIONAL INFORMATION

If you have any questions regarding agricultural zoning or applying for a farmland preservation agreement, you may contact your local county extension office or zoning administrator, or the Wisconsin Department of Agriculture, Trade and Consumer Protection at (608) 224-4621, (608) 224-4611, or DATCPWorkingLands@wisconsin.gov.

If you have any questions about the tax aspects of the farmland preservation program, or to obtain copies of Schedule FC or Schedule FC-A and instructions, call or visit any Wisconsin Department of Revenue office. There is no charge for this assistance. Your local telephone directory may show the location and telephone number of the office nearest you. You may also contact the department by any of the following methods:

Telephone. . . (608) 266-2442

Fax . . . (608) 267-0834

Email . . . DORFarmlandPreservationCredit@wisconsin.gov

5. APPLICABLE LAWS AND RULES

This document provides statements or interpretations of the following laws and regulations enacted as of January 7, 2026: secs. 71.58, 71.59, 71.60, 71.61, 71.613, 71.75, 71.78, 73.03, 91.01, 91.66, 91.80, 91.84, and 93.73, Wis. Stats., sec. 91.19, Wis. Stats. (2007-08), and sec. Tax 2.08, Wis. Adm. Code.

Laws enacted and in effect after this date, new administrative rules, and court decisions may change the interpretations in this document. Guidance issued prior to this date, that is contrary to the information in this document is superseded by this document, according to sec. 73.16(2)(a), Wis. Stats.