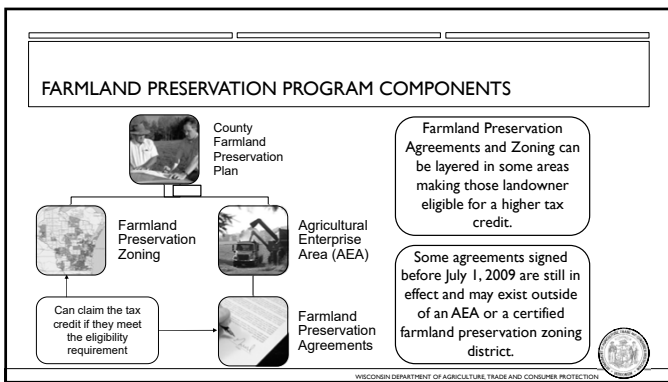


The Farmland Preservation Tax Credit
 Wednesday Jordan, DATCP and Randall Stilling, DOR
 WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION AND
 DEPARTMENT OF REVENUE
 November 17th, 2021

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PICKING THE CORRECT TAX SCHEDULE: FC OR FC-A

Farmland Preservation Agreements ONLY	Pre-July 1st, 2009 Agreements and in a Farmland Preservation Zoning District	Post-July 1st, 2009 Agreements in an AEA and in a Farmland Preservation Zoning District	Farmland Preservation Zoning District ONLY
If the agreement was signed before July 1, 2009 • File using Schedule FC If the agreement was signed before July 1, 2009 and was modified • File using Schedule FC-A If the agreement was signed after July 1, 2009 in an AEA • File using Schedule FC-A	Choose to file using: 1. Schedule FC and claim at 80% of calculated credit based on having an agreement OR 2. Schedule FC-A and claim credit based on farmland preservation zoning rate	• File using Schedule FC-A	• File using Schedule FC-A


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ELIGIBILITY REQUIREMENTS TO CLAIM




MEET ALL APPLICABLE SOIL AND WATER CONSERVATION STANDARDS




WISCONSIN RESIDENT & LAND OWNER OF THE ELIGIBLE LANDS



PRODUCED \$6K GROSS FARM REVENUE IN THE TAX YEAR OR \$18K WITHIN THE TAX YEAR THE 2 PRIOR YEARS



DID NOT CLAIM HOMESTEAD OR VETERANS AND SURVIVING SPOUSE'S PROPERTY TAX CREDIT

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TAX CREDITS AVAILABLE FOR LANDOWNERS


Under Schedule FC

The amount a landowner may be credited by filing a claim on tax Schedule FC is calculated based on their Household Income and the amount of property taxes paid in the applicable tax year

- Lower income and higher property taxes mean higher tax credit

Under Schedule FC-A

- \$5.00/acre** if land has a signed Farmland Preservation Agreement in an AEA or a Modified Pre-2009 Farmland Preservation Agreement
- \$7.50/acre** if lands are located in a certified farmland preservation zoning district
- \$10.00/acre** if land has a signed Farmland Preservation Agreement in an AEA or a Modified Pre-2009 Farmland Preservation Agreement AND if lands are located in a certified farmland preservation zoning district


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ATTACHMENTS TO INCLUDE WITH A CLAIM ON SCHEDULE FC

SEE WI DEPT. OF REVENUE PUB 503 (PG. 6) FOR DETAILS


- Copies of property tax bills for the year the credit is being claimed
- Copy of the original farmland preservation agreement
 - Note: If you submitted a farmland preservation agreement with a previous year's farmland preservation credit claim and no information has changed you do not need to enclose a copy
- Copy of closing statement with buyer and seller's signatures and copy of executed deed or land contract if property was sold during the taxable year
- Copy of documentation verifying percent ownership (if applicable)
- Copy of a statement signed by the county treasurer indicating that the previous year's property tax bills were paid in full
 - Note: If any of the taxpayer's property tax bills for the year the credit is being claimed show unpaid prior year taxes

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ATTACHMENTS TO INCLUDE WITH A CLAIM ON SCHEDULE FC-A
SEE WI DEPT. OF REVENUE PUB 503 (PG. 13) FOR DETAILS

1. Copy of the Certificate of Compliance issued from the county the eligible farmland is located in (must be submitted every time there is a change or a new one is issued)
2. Copies of property tax bills for the year the credit is being claimed
3. Copy of the original or modified farmland preservation agreement
 - o Note: If you submitted a farmland preservation agreement with a previous year's farmland preservation credit claim and no information has changed you do not need to enclose a copy
4. Copy of closing statement with buyer and seller's signatures and copy of executed deed or land contract if property was sold during the taxable year
5. Copy of documentation verifying percent ownership (if applicable)




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CERTIFICATES OF COMPLIANCE: OVERVIEW

- Beginning in tax year 2016, landowners are required to verify their compliance with state soil and water conservation standards through a Certificate of Compliance (COC) on all farmland not just farmland eligible for the tax credit
- Compliance is verified locally by the County Land Conservation Department
- The unique seven-digit number on the Certificate of Compliance must be included on Schedule FC-A in order to claim the farmland preservation tax credit
- These Certificate of Compliance must be updated if there are changes in ownership or new land is acquired or sold



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CERTIFICATES OF COMPLIANCE: CURRENT STATE STANDARDS

All Operations are required to create and implement a Nutrient Management Plan that meets NRCS 590 Standards

Crop and Pasture Operations	Livestock Operations
<ul style="list-style-type: none"> • Prevent soil loss by ensuring activities on fields do not exceed tolerable soil loss ("T") • No tillage is conducted within a minimum of 5 feet of the bank of surface waters • Maintain an average phosphorus index of 6 or less and do not exceed a phosphorus index of 12 for the life for their nutrient management plan 	<ul style="list-style-type: none"> • Limit agricultural runoff by preventing significant discharge of wastewater from livestock related building and structures from entering bodies of water and clean water runoff is diverted from all livestock related building or structures • Limit or manage livestock access to open bodies of water to maintain vegetative cover and prevent erosion • All new manure facilities are built to code, all facilities are maintained to prevent the overflow of manure, and unused manure storage facilities are properly closed. No stacked manure in unconfined piles within 300 feet of streams or 1,000 feet of lakes

Agreements signed before July 1, 2009 may be subject to different standards. Clients should contact the County Conservation Department to confirm what standards their lands must meet.



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NOTICE OF NON-COMPLIANCE

Schedule FC-A

- 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 the taxpayer's farm.

Schedule FC

- There must not be an outstanding notice of noncompliance with soil and water conservation standards against the farm at the time of filing the tax claim.



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CLAIMING THE FARMLAND PRESERVATION TAX CLAIM AFTER A CHANGE OF OWNERSHIP OF ELIGIBLE LANDS

Schedule FC-A

- Taxpayer must be the landowner at the end of the year (Dec. 31)
- Include a copy of closing statement with buyer and seller's signatures and copy of executed deed or land contract
- The new landowner must obtain an updated COC from the local county conservation department verifying the compliance of the farm

Schedule FC

- Buyer and seller may claim credit based on property taxes paid as verified through closing statement
- Include a copy of closing statement with buyer and seller's signatures and copy of executed deed or land contract




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FILING A CLAIM FOR A PREVIOUS TAX YEAR

- A claim may be filed at any time up to four years after the unextended due date of the claimant's income/franchise tax return
- For example:
 - The deadline to claim the 2021 tax credit for a calendar year filer is April 15, 2026
- Special consideration when filing using Schedule FC-A:
 - The taxpayer must include a Certificate of Compliance that shows the property was in compliance at the time of the claim if filing a claim for a prior tax year




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HOW TO DETERMINE AREAS ELIGIBLE FOR PARTICIPATION

- Landowners can verify if they are located in a certified farmland preservation zoning district by contacting their zoning administrator
- DATCP annually publishes a list of zoning jurisdictions with certified farmland preservation zoning districts available on our website
- All farmland preservation agreements are recorded with the lands covered.
- Landowners can run a title search or contact DATCP to see if their lands are covered by an agreement
- Lands located in a designated Agricultural Enterprise Area are eligible to enroll in a farmland preservation agreement
 - Visit farmlandpreservation.wi.gov or contact the county conservation department




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ONLINE RESOURCES FOR THE FARMLAND PRESERVATION TAX CREDIT

1. DATCP's Farmland Preservation Program Homepage:
farmlandpreservation.wi.gov
1. DATCP's Farmland Preservation: Information for Tax Preparers Resources:
https://datcp.wi.gov/Pages/Programs_Services/FPTaxPrep.aspx
2. DOR's Farmland Preservation Credit FAQ:
<https://www.revenue.wi.gov/Pages/FAQS/ise-farm.aspx>
3. Digital Copy of DOR Publication 503:
<https://www.revenue.wi.gov/DOR%20Publications/pb503.pdf>
4. County Conservation Department Staff Directory:
<https://wisconsinlandwater.org/members-hub/members>
5. DOR's Tax form and instruction site:
<https://www.revenue.wi.gov/Pages/HTML/formpub.aspx>




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CONTACT INFORMATION FOR THE FARMLAND PRESERVATION TAX CREDIT

DOR's Farmland Preservation Tax Credit Team:
Phone: (608) 266-2442
e-mail: DORFarmlandPreservationCredit@wisconsin.gov

DATCP's Farmland Preservation Program Team
Phone: (608) 2224-4611
e-mail: DATCPWorkingLands@wisconsin.gov



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Photo by DATCP



WE WILL NOW OPEN THE FLOOR FOR ANY QUESTIONS YOU MAY HAVE ABOUT THE FARMLAND PRESERVATION PROGRAM AND THE FARMLAND PRESERVATION TAX CREDIT



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Thank You!

Wisconsin Department of Revenue

Wednesday Jordan, DATCP and Randall Stilling, DOR
 DATCP Contact: DATCPWorkingLands@wisconsin.gov, (608) 224-4611
 DOR Contact: DORFarmlandPreservationCredit@wisconsin.gov, (608) 266-2442

WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION (DATCP)
 WISCONSIN DEPARTMENT OF REVENUE (DOR)
 November 2021

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