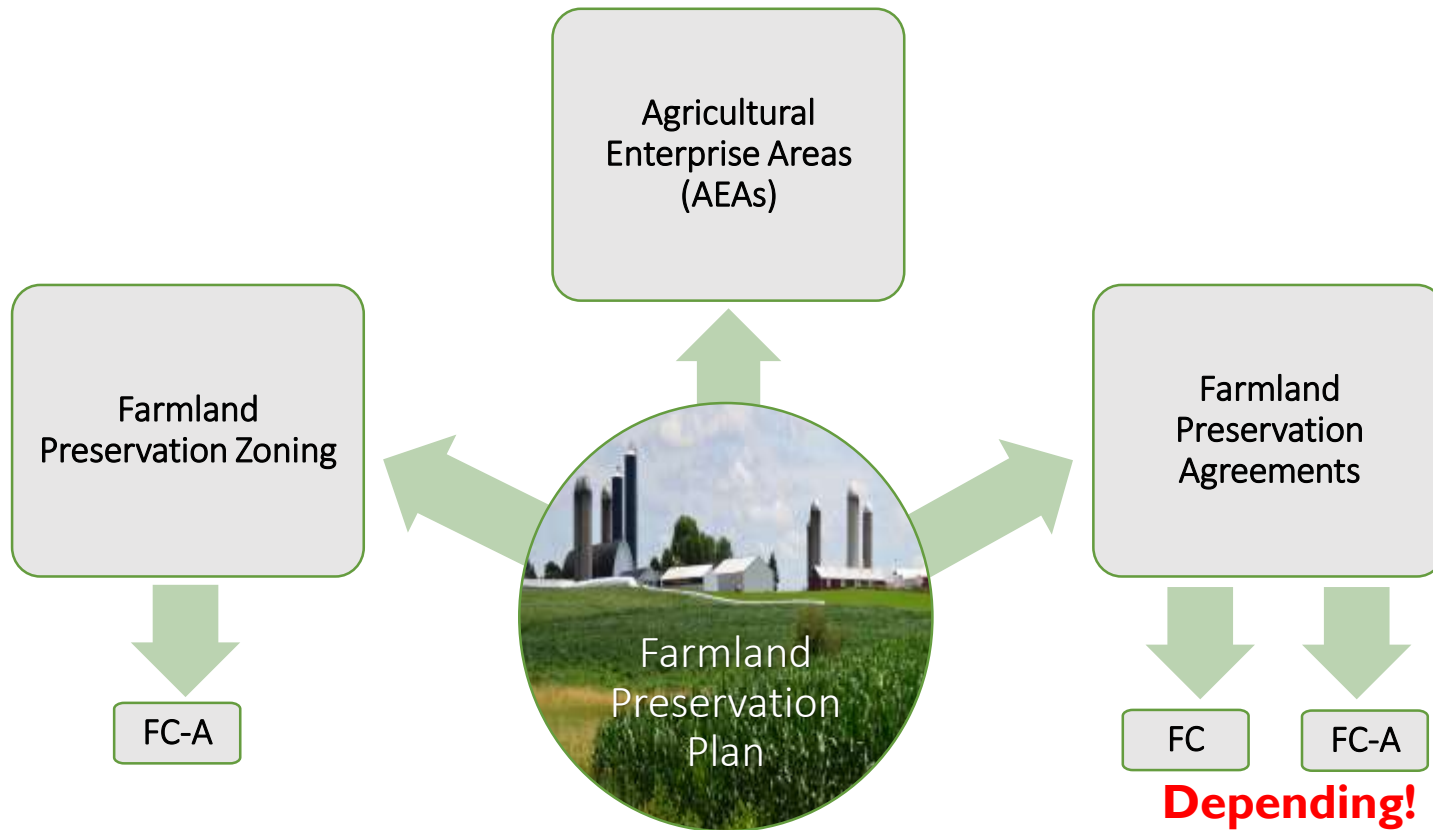

CLAIMING THE FARMLAND PRESERVATION TAX CREDIT IN WISCONSIN

UPDATED FOR 2017






PROGRAM COMPONENTS

Farmland Preservation Program

TAX SCHEDULE FC

- For landowners with an effective farmland preservation agreement entered into before July 1, 2009
- Ask for a copy of the agreement
- Check the expiration!
- Fewer Pre-2009 agreements each year
- Consider the benefits of modifying!

WISCONSIN DEPARTMENT OF AGRICULTURE, TRADE AND CONSUMER PROTECTION
AGRICULTURAL RESOURCE MANAGEMENT DIVISION
2811 Agriculture Drive, PO Box 8911
Madison, WI 53708

FARMLAND PRESERVATION AGREEMENT 

Agreement No. <u>55555</u>	Date of filing application <u>June 6, 2003</u>	
804 CREDIT LEVEL	Effective	Expiration
First eligible tax year <u>2003</u>	Date <u>1/10/04</u>	Date <u>1/10/2014</u>
Parcel No. (a) <u>Sec. 20: N4W4(000-0000-10000/40A) :</u>		
<u>SEW4(111-1111-11111/30.5A) ; N4SW(222-2222-22222/31.99A) :</u>		
<u>SWSE(333-3333-33333/10A) :</u>		

COUNTY RECORDING INFORMATION

THIS FARMLAND PRESERVATION AGREEMENT IS MADE, EXECUTED AND TAKES EFFECT ON THIS 10th day of January A.D., 20 04, by and between John Q. Smith and Jane M. Smith

hereinafter referred to as the "Owner" and the Department of Agriculture, Trade and Consumer Protection hereinafter referred to as the "Department" for and on behalf of the State of Wisconsin.

WITNESSETH:

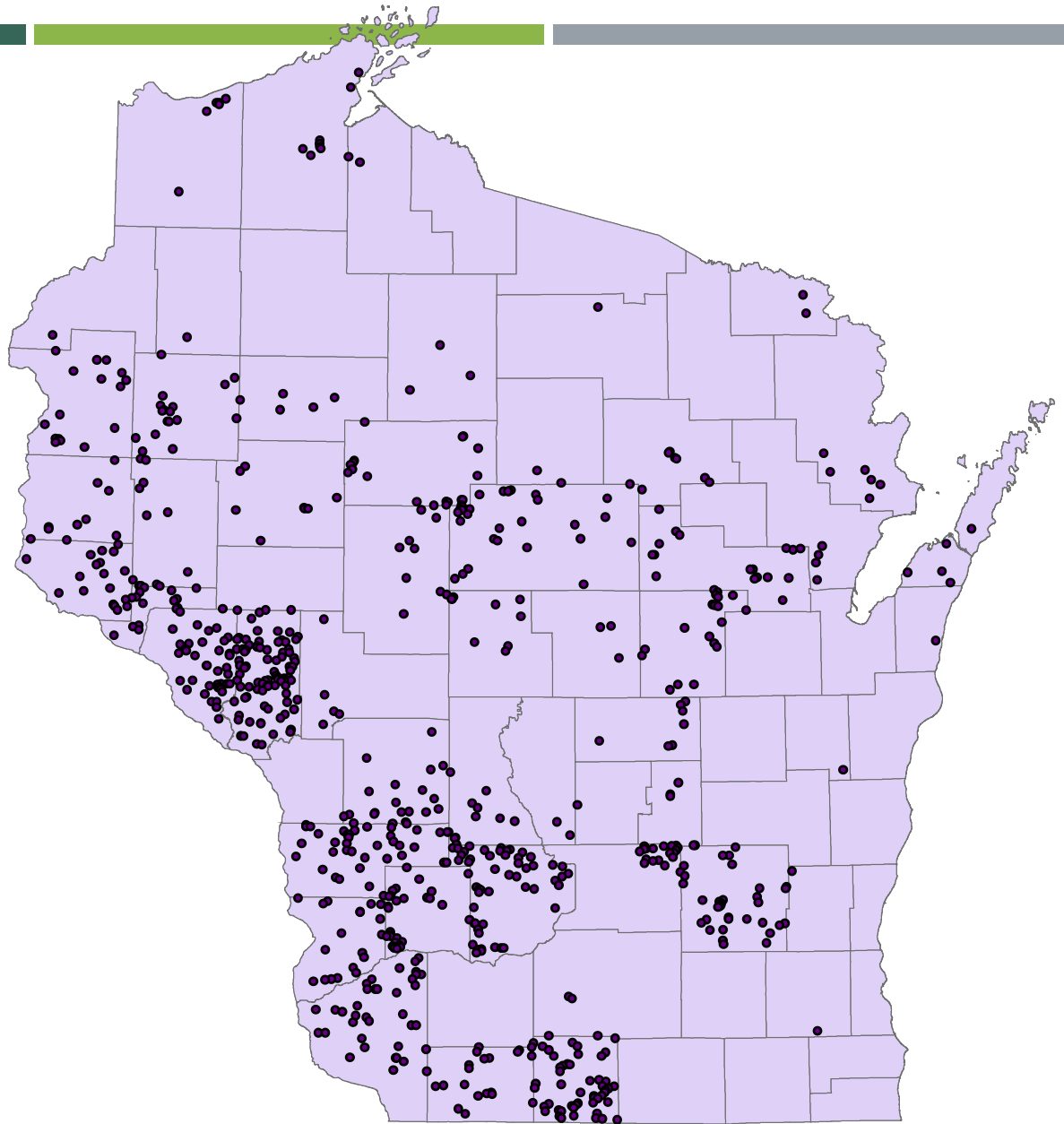
WHEREAS, the Owner owns real property in the County of County where the farm is located, State of Wisconsin, hereinafter referred to as the "Subject Property", which is described as follows:

DESCRIPTION OF COVERED LANDS
(Continued on Exhibit "A")

WHEREAS, the State of Wisconsin desires to preserve agricultural land, to maintain the agricultural economy,

■ Farmland Preservation Agreements signed before July 1, 2009 or under Act 374

- Only landowners eligible to claim farmland preservation tax credit on Schedule FC
- Unmodified agreements can modify in order to claim on FC-A



TAX SCHEDULE FC-A

- For landowners with a farmland preservation agreement signed or modified after July 1, 2009 or with land covered by a certified farmland preservation zoning ordinance (or both)



AGRICULTURAL ENTERPRISE AREAS (AEAS)

- Community-led
- Designated by the state in response to a local petition
- Contiguous
- Primarily in agricultural use
- Not a land use control
- **Enables landowners to sign a farmland preservation agreement**

Go to Statewide Map of
AEAs



Greenville AEA



Dodge County



Scenic Ridge and Valley AEA

POST JULY 1, 2009 FARMLAND PRESERVATION AGREEMENT

USE SCHEDULE FC-A

FARMLAND PRESERVATION AGREEMENT
Sec. 91.60, Wis. Stats.

COUNTY RECORDING INFORMATION

County of **COUNTY WHERE FARM LOCATED**
Town of **TOWN WHERE FARM LOCATED**
Agreement No. **XXXXXX**
Covers Approximately **XXX** Acres.
Agricultural Enterprise Area No. **XX-XX**

This space is reserved for recording data
Return to:
Department of Agriculture, Trade
and Consumer Protection
ARM-Farmland Preservation
PO Box 8911
Madison, WI 53718-8777

Parcel Identification Number: **PARCELS COVERED BY AGREEMENT**

THIS AGREEMENT TAKES EFFECT WHEN IT IS SIGNED BY ALL OWNERS OF THE LAND COVERED BY THE FARMLAND PRESERVATION AGREEMENT AND BY THE DEPARTMENT AND REMAINS IN EFFECT FOR 15 YEARS FROM THAT DATE.

The Parties enter into this Farmland Preservation Agreement ("Agreement") pursuant to s. 91.60(1), Wis. Stats., for the purpose of preserving farmland and making the Landowner eligible for farmland preservation tax credits under s. 71.813, Wis. Stats.

PARTIES
The Parties to this Agreement ("Parties") are as follows:
(1) The Wisconsin Department of Agriculture, Trade and Consumer Protection ("Department") is an agency of the State of Wisconsin. The Department administers Wisconsin's Farmland Preservation Law under ch. 91, Wis. Stats. On behalf of the State of Wisconsin, the Department is authorized under s. 91.60(1), Wis. Stats., to enter into farmland preservation agreements with owners of eligible land.
(2) The following persons (collectively referred to as "the Landowner") are the owners of the "Covered Land," and are jointly and severally obligated by this Agreement.

NAME(S)	ADDRESS(ES)
AGREEMENT HOLDER	AGREEMENT HOLDER ADDRESS

COVERED LAND
This Agreement applies to the land that is specifically described in Appendix A to this agreement ("Covered Land").

Farmlandpreservation.wi.gov

Applying for a Farmland Preservation Agreement

BENEFITS TO SIGNING A FARMLAND PRESERVATION AGREEMENT

If have a client who owns land within one of the state's 34 agricultural enterprise areas...

- Agreements represent a commitment to keeping land in agricultural use for the next 15 years
- Exempt from special assessments levied by a political subdivision, special purpose district or other local governmental entity for sanitary sewer or water
- Benefits soil and water resources

QUESTIONS?



CERTIFIED FARMLAND PRESERVATION ZONING DISTRICT

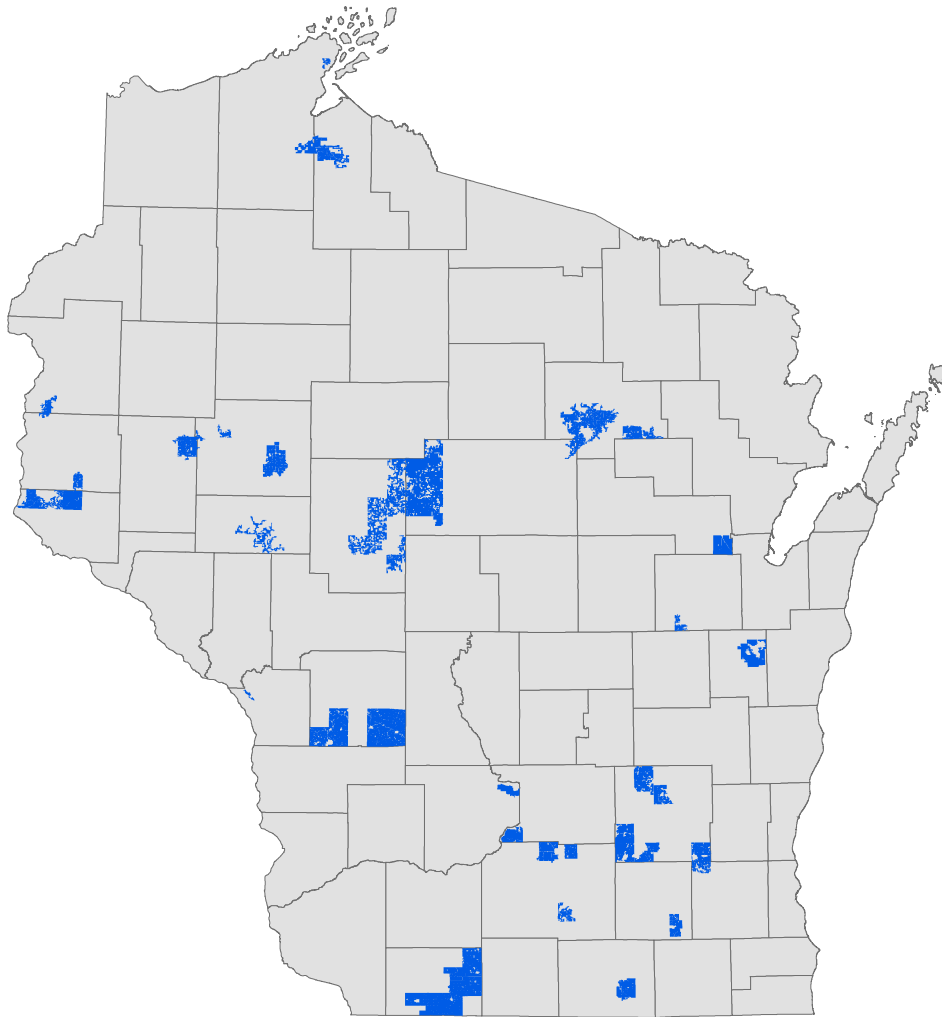
- Implements local farmland protection goals
- Limits allowable uses to agricultural activities and uses compatible to agriculture
- Landowners with **land located in a certified farmland preservation zoning district may be eligible to claim the FP tax credit**

Go to List of Certified Zoning Jurisdictions

Come back later for a TY2017 list!

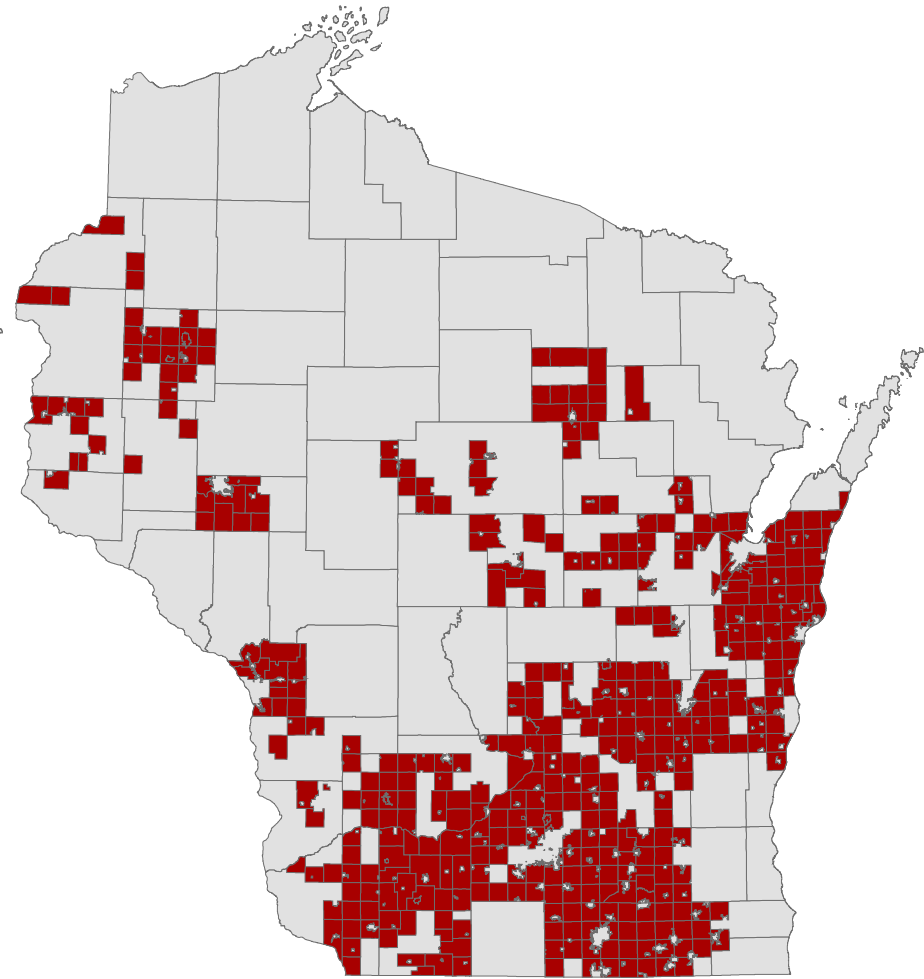
IS MY FARM LOCATED IN A JURISDICTION WITH CERTIFIED FARMLAND PRESERVATION ZONING?

- To determine whether land is covered by a certified farmland preservation zoning ordinance, 1) check DATCP's website for a [list of jurisdictions with certified zoning ordinances](#) 2) If the list includes the town, city or village where the land is located, call the zoning authority for the town city or village to make sure the land is covered by the district.
- Contact DATCPWorkingLands@Wisconsin.gov or 608-224-4621 with additional questions




 Statewide AEA Boundaries

 Only place where new FP Agr can be signed



 Zoning Jurisdiction with Certified FP Zoning

 Landowners need to check with ZA to see if they are in the certified district(s)

CAN YOU FILE USING BOTH SCHEDULES?

- Landowners cannot claim on the same land using both Schedule FC and FC-A
- Example: If a landowner has land that is zoned for farmland preservation and that same land is covered by a farmland preservation agreement signed before July 1, 2009 (**but has not been modified**), the landowner must either use FC to claim under the old agreement OR use FC-A to claim under the farmland preservation zoning ordinance.

Modifying a Farmland
Preservation Agreement

FARMLAND PRESERVATION AGREEMENT MODIFIED AFTER JULY 1, 2009

USE SCHEDULE FC-A

Modifying a Farmland
Preservation Agreement

I'm not sure what kind of
agreement I have

FARMLAND PRESERVATION AGREEMENT MODIFICATION
Sec. 91.60(1)(c), Wis. Stats.

County of County where farm is located
Town of Town where farm is located
Agreement No. number of original agreement
Modified Agreement No. number for modified agreement
Expiration Date original expiration
Covers Approx. XXX Acres

THIS MODIFICATION OF A FARMLAND PRESERVATION AGREEMENT TAKES EFFECT WHEN IT IS SIGNED BY ALL OWNERS OF THE LAND COVERED BY THE FARMLAND PRESERVATION AGREEMENT AND BY THE DEPARTMENT AND REMAINS IN EFFECT UNTIL THE AGREEMENT EXPIRES ON THE DATE LISTED ABOVE.

THIS AGREEMENT TERMINATES AUTOMATICALLY ON THE SCHEDULED EXPIRATION DATE, WITHOUT ANY FURTHER ACTION OR RECORDING BY THE PARTIES.

The Parties to this Agreement Modification ("Parties") are as follows:

(1) The Wisconsin Department of Agriculture, Trade and Consumer Protection ("Department") is an agency of the State of Wisconsin. The Department administers Wisconsin's Farmland Preservation Law under ch. 91, Wis. Stats. On behalf of the State of Wisconsin, the Department is authorized under s. 91.60(1), 2009 Wis. Stats., to enter into farmland preservation agreements with owners of eligible land.

(2) The following persons (collectively referred to as "the Owner") are the owners of the "Covered Land," and are jointly and severally obligated by this Agreement:


NAME(S)	ADDRESS(ES)

This space is reserved for recording data

Return to:
Department of Agriculture, Trade
and Consumer Protection
ARM-Farmland Preservation
PO Box 8911
Madison, WI 53718-4777

Parcel Identification Number(s) Parcels covered by agreement

The land described in Appendix A is subject to a farmland preservation agreement (Agreement No. listed above) that remains in effect until the agreement expiration dated listed above. This modified Agreement applies to the land that is specifically described in Appendix A ("Covered Land").



BENEFITS TO MODIFYING

- Often results in a higher tax credit for the farm owner
 - No cap on credit
- May claim the tax credit on lands enrolled in MFL
- No minimum acreage requirement to file a claim
- Landowners with modified agreements and acreage under certified zoning may claim on a single schedule

REVIEW: WHICH SCHEDULE SHOULD I USE?

FC

- Landowners who own land subject to an effective farmland preservation agreement signed before July 1, 2009

FC-A

- Landowners who own land subject to an effective farmland preservation agreement signed OR modified after July 1, 2009
- Landowners who own lands located in a certified farmland preservation zoning district
- Landowners who own lands covered by both!

WHAT ARE THE ELIGIBILITY REQUIREMENTS?

The following requirements must be met to claim the farmland preservation tax credit under FC or FC-A:

- Claimant must have been the owner of the farmland for the year in which the credit is claimed. The landowner need not be the farm operator and may rent the land to a farmer.
- The landowner must have been a resident of Wisconsin for the entire taxable year.
- The landowner may not have claimed homestead credit or veterans and surviving spouses' property tax credit for that year.
- The farm must meet applicable state soil and water conservation standards.
- The land produced \$6,000 in gross farm revenue in the preceding year or \$18,000 in gross farm revenue during the preceding three years. If a landowner rents the farmland, the landowner may claim on that land provided the renter meets the gross farm revenue requirement.

UNDERSTANDING GROSS FARM REVENUE

- \$6,000 gross farm revenue in year of claim or \$18,000 in that and two prior tax years
 - EX: If landowner is engaged in forest management and only makes a cutting once every 3 years they can still meet the revenue requirement to claim annually
- Land is rented for agricultural use:
 - Renter's farm operation meets requirement
 - Revenue not rent received; revenue is ag revenue
 - Provide name and address of renter on schedule

COMPLIANCE – SOIL AND WATER CONSERVATION STANDARDS

- Listed in ATCP 50.04
- Include requirements for nutrient management planning and for controlling sources of soil erosion and other ag sources of nonpoint pollution

WI Land + Water
Conservation Directory

Contact info for county land
conservation departments

SCHEDULE FC: THE PARTICULARS

- MFL Lands **are not eligible** for the farmland preservation credit under FC
- Claim must be based on **at least 35 acres** of land.
- If at least 35 acres of farmland were enrolled in the Conservation Reserve Program (CRP), the landowner does not need to meet the gross farm revenue requirement
- The property taxes for the property and for the year on which the claim is based must be **paid in full**. The tax bills should be attached to the claim.
- Landowners who previously claimed using Schedule FC may modify their old farmland preservation agreement to take advantage of increased tax credits under FC-A. An agreement cannot be modified to extend the expiration date.

DOR Forms & Instructions

Schedule **FC** Farmland preservation credit

2016

Enclose with Wisconsin Form 1, 1NPR, 2, 4, 4T, or 6

Check here if an amended Schedule FC

Legal name(s) shown on Form 1, 1NPR, 2, 4, 4T, or 6

Social Security Number or FEIN

Caution: Schedule FC may only be filed if you are subject to a farmland preservation agreement entered into prior to July 1, 2009. See "Which Schedule to File" on page 2 of the instructions.



Questions Questions 1 through 7 must be answered (see instructions, page 4).

- 1 a** Individuals – Were you a legal resident of Wisconsin for all of 2016? (If "No," you do not qualify.) . . . **1a** Yes No
- b** Corporations – Were you organized under the laws of Wisconsin? (If "No," you do not qualify.) . . . **1b** Yes No
- 2** Have you been notified that you are in noncompliance with any soil and water conservation plan or standard? . . . **2** Yes No
- 3** Have the 2015 property taxes for all of the farmland on which this claim is based been paid in full? . . . **3** Yes No
- 4** What is the number of whole acres on which this claim is based? (See instructions, page 4.) . . . **4** **ACRES**
- 5** Did the farmland produce gross farm profits of at least \$6,000 during 2016 or a total of at least \$18,000 during 2014, 2015, and 2016 combined? . . . **5** Yes No
- 6** Were at least 35 acres of the farmland on which this claim is based enrolled in the Conservation Reserve Program during 2016? . . . **6** Yes No
- 7** If the farmland was used by someone else who met the requirement in question 5, what is that person's name and address? _____

QUESTIONS ON FC?



TAX SCHEDULE FC-A

THE PARTICULARS

- MFL lands may be included in a farmland preservation tax claim.
- There is no minimum acreage requirement for claiming under FC-A.
- The landowner must have paid **or be responsible for paying** the property taxes payable in the year for which the claim is filed. The tax bills should still be included in with the claim.
- There is no longer a zoning certificate required for claiming based on land covered by a certified farmland preservation zoning ordinance. A copy of the signed farmland preservation agreement, however, is still required to be attached to the claim.
- Certificate of Compliance (CoC) with a CoC number listed on the tax form

Schedule **FC-A** Farmland preservation credit

2016

Enclose with Wisconsin Form 1, 1NPR, 2, 4, 4T, or 6

Check here if an amended Schedule FC-A

Legal name(s) shown on Form 1, 1NPR, 2, 4, 4T, or 6	Social Security Number or FEIN
---	--------------------------------

Caution: Schedule FC-A may only be filed if your farm is covered by an original or modified farmland preservation agreement entered into on or after July 1, 2009, or located in a farmland preservation zoning district. See "Which Schedule to File" on page 1 of the instructions.



Questions Questions 1 through 6 must be answered (see instructions, page 3).

- 1 a Individuals – Were you a legal resident of Wisconsin for all of 2016? (If "No," you do not qualify.) . . . **1a** Yes No
- b Corporations – Were you organized under the laws of Wisconsin? (If "No," you do not qualify.) . . . **1b** Yes No
- 2** Enter the number of farms on which this claim is based **2** **FARMS**
- 3** Do you have a certificate of compliance for each farm upon which this claim is based? (Enter your 7 digit certificate of compliance identification number(s) on the Qualifying Acres Schedule(s) in Step 1. Attach a copy of each certificate of compliance, unless the Exception on page 4 of the instructions applies.) **3** Yes No
- 4** Have you paid, or are you legally responsible for paying, the 2016 property taxes levied against the qualifying acres to which this claim relates? **4** Yes No
- 5** Did each farm on which this claim is based produce gross farm revenues of at least \$6,000 during 2016 or a total of at least \$18,000 during 2014, 2015, and 2016 combined? **5** Yes No
- 6** If any farm(s) on which this claim is based was used by someone else who met the requirement in question 5, what is the name and address of that person(s)? _____

New



Wisconsin Department of Agriculture, Trade and Consumer Protection
 Division of Agricultural Resource Management
 PO Box 8911, Madison, WI 53708-8911
 Phone: (608) 224-4605 Fax (608) 224-4615

Certificate of Compliance with Soil & Water Conservation Standards

(Farmland Preservation Program, ss. 91.80 and 91.82, Wis. Stats.)

Landowner Information (To be completed by landowner)

To claim the farmland preservation tax credit under subch. IX of ch. 71, Stats, this completed certificate of compliance must be submitted with your tax return filed with the Wisconsin Department of Revenue, beginning in tax year 2010 if you did not claim a tax credit for the preceding year.

LANDOWNER(S) [REDACTED]		
STREET ADDRESS [REDACTED]		
CITY [REDACTED]	STATE [REDACTED]	ZIP [REDACTED]
PHONE: () [REDACTED] - [REDACTED]	E-MAIL [REDACTED]	
-Enter Property Information on Reverse-		

Certification (To be completed by the county land conservation committee)

The undersigned, on behalf of the [REDACTED], County Land Conservation Committee, hereby certifies that the land identified on this form is a part of a farm, all of which is in compliance with soil and water conservation standards under s. 91.80, Wis. Stats.

Certification based upon:

- Farm Inspection Date of Inspection: [REDACTED]
- Other Demonstration of Compliance Explanation: [REDACTED]

Applicable Year: [REDACTED]

AUTHORIZED SIGNATURE [REDACTED]		DATE [REDACTED]
PRINTED NAME AND TITLE [REDACTED]		PHONE () [REDACTED] - [REDACTED]
STREET ADDRESS [REDACTED]		
CITY [REDACTED]	STATE [REDACTED]	ZIP [REDACTED]

CERTIFICATES OF COMPLIANCE

1. Which landowners need a Certificate of Compliance (CoC) number?

All landowners who claim the farmland preservation tax credit with Schedule FC-A beginning in 2016 will need a CoC number. This includes landowners who claim under a farmland preservation zoning ordinance and landowners who have a farmland preservation agreement signed or modified after July 1, 2009. Landowners will need to enter this number on FC-A in order to claim the credit in tax year 2016.

2. Who should landowners contact if they do not already have a certificate of compliance (CoC)?

Landowners need to contact the Land Conservation Department in the county where their farm is located in order to obtain a CoC. Landowners that have already been issued a CoC that does not have a CoC number on it need to work with the County Land Conservation Department in the County where their farm is located to get a CoC number.

County Land Conservation
Department Contact Info



Note: Fill in below the number of farms on which your claim is based. Complete a separate schedule for each farm (see page 3).

New

QUALIFYING ACRES SCHEDULE 1 OF ____

Step 1 Enter the 7 digit identification number from your certificate of compliance for each county in which the farm is located:

a ____ - _____ b ____ - _____ c ____ - _____ d ____ - _____

If the farm is located in more than 4 counties, see Qualifying Acres Schedule, Step 1 on page 3 of the instructions.

Step 2 For each tax parcel that 1) is part of the farm and 2) has qualifying acres, as described below, enter:

- Column (A) tax parcel number
- Column (B) number of qualifying acres in the parcel subject to an original or modified farmland preservation agreement entered into after July 1, 2009, and located in a farmland preservation zoning district
- Column (C) number of qualifying acres in the parcel located in a farmland preservation zoning district, but not subject to an original or modified farmland preservation agreement entered into after July 1, 2009
- Column (D) number of qualifying acres in the parcel subject to an original or modified farmland preservation agreement entered into after July 1, 2009, but not located in a farmland preservation zoning district

Tax Parcel Number (A)	Number of Acres from Each Category Above		
	(B)	(C)	(D)

Note: If the farm consists of more than 7 parcels, enclose page 4

QUESTIONS ON FC-A?



WHAT LEVEL OF TAX CREDIT ARE LANDOWNERS ELIGIBLE FOR?

Schedule FC

- The amount a landowner may be credited by filing a claim on tax schedule FC is calculated based on their income and the amount of property taxes paid in the applicable tax year
 - Lower income and higher property taxes mean higher tax credit

Schedule FC-A

- **\$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 initially signed before July 1, 2009
- **\$7.50/acre** for landowners with lands located in an certified farmland preservation zoning district
- **\$10.00/ acre** for landowners with lands located in an certified farmland preservation zoning district 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

ATTACHMENTS TO CLAIM

Schedule FC

- Copy of FP Agreement
- If land bought/sold during year, include closing statement signed by buyer and seller along with deed or land contract
- Documentation of percentage of ownership
- Example: If any property tax bills for tax year claiming under show unpaid taxes, need statement from county treasurer that previous year property taxes were paid in full

Schedule FC-A

- Copy of FP Agreement (if applicable)
- If land bought/sold during year, include closing statement signed by buyer and seller along with deed or land contract
- Documentation of percentage of ownership
- Property tax bills for tax year claiming under
- Certificate of Compliance if it is the first year issued and/or acreage claiming under changes

FILING EXTENSIONS

- Six-month federal extension – Form 4868
- Submit federal extension form with VVI return
- Retroactively claiming
 - A farmland preservation tax credit for a given tax year must not be filed later than 4 years after the un-extended due date of that year's tax return
 - Ex: A 2016 farmland preservation tax credit claim would need to be filed by April 15, 2021 (March 16, 2021 for corporations)
 - Eligibility to back claim may depend on the applicable county's ability to verify that a farm was in compliance for the previous years that they wish to file a claim for
- Compliance:
 - FC-A End of tax year
 - FC Time of filing

TAKEAWAYS?

- Is my client eligible to claim the farmland preservation tax credit?
 - Certified Farmland Preservation Zoning
 - Effective Farmland Preservation Agreement
 - Both?
- Am I Using the correct forms to file on behalf of my client?
 - FC= Pre 2009 Agreements
 - FC-A= Certified Zoning, Post 2009 Agreements, Modified Pre-2009 Agreements

ADDITIONAL RESOURCES

DATCP

Farmland Preservation Tax
Credits

Information for Tax
Preparers

Conservation Compliance

DOR

WI FP Credit: For Use in
Preparing Claims

Farmland Preservation Tax
Credit FAQs

QUESTIONS: CLAIMING THE FARMLAND PRESERVATION TAX CREDIT

DATCP:

608/224-4621

DATCPWorkingLands@Wisconsin.gov

DOR:

608/266-2442

DORFarmlandPreservationCredit@Wisconsin.gov

