

**Claiming the Farmland Preservation Tax Credit with Schedule FC-A<sup>1</sup>**  
*Information for landowners and tax preparers*

Eligible landowners may claim a farmland preservation tax credit on their income tax return in exchange for keeping the land in agricultural use and complying with the state's soil and water conservation standards, also known as agricultural performance standards.

If you are an eligible landowner, you can file **Schedule FC-A** with your income tax return to collect one of the following per acre credits:

- \$10.00 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
- \$10.00 for landowners in an area zoned for farmland preservation
- \$12.50 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<sup>2</sup>

**Step 1: Determine Eligibility to file Schedule FC-A**

If you can answer "Yes" to all of the questions below, you are eligible to claim the farmland preservation tax credit using **Schedule FC-A**.

- Am I a Wisconsin resident?
- Is my land covered by at least one of the following; (a) a certified farmland preservation zoning district, (b) a farmland preservation agreement signed or modified after July 1, 2009? *Note: Contact your town or county zoning office to confirm eligible zoning.*
- Did my land produce \$6,000 in gross farm revenue during the previous year or \$18,000 in gross farm revenues during the previous three years?
- Have the previous year's property taxes been paid?
- Have I obtained a certificate of compliance from my county's land conservation committee to show that I comply with the state's soil and water conservation standards?

**Step 2: Submit the Appropriate Paperwork**

Nearly all eligible landowners will need to submit **Schedule FC-A** when filing the tax credit claim. The only exception is for landowners with a farmland preservation agreement entered into prior to July 1, 2009 that has not been modified. These landowners must continue to use Schedule FC.

Landowners claiming the farmland preservation tax credit using Schedule FC-A must obtain a certificate of compliance issued by the county land conservation committee to ensure continued eligibility. If you have not yet received a certificate of compliance, you must contact your county land conservation department to schedule a time to discuss your farm's compliance status. If you are claiming the credit for the first time, or the number of acres on which the claim is based has changed, you will need to submit a copy of the certificate of compliance with your income tax return.

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<sup>1</sup> Please note that if you have a farmland preservation agreement signed before July 1, 2009 that has not been modified, you must continue to use **Schedule FC** to claim your tax credit. More information on modifying agreements is available on the DATCP website at [https://datcp.wi.gov/Pages/Programs\\_Services/ModifyFPAAgreement.aspx](https://datcp.wi.gov/Pages/Programs_Services/ModifyFPAAgreement.aspx).

<sup>2</sup> Landowners who have modified an agreement that was originally signed before July 1, 2009 and the covered land is also located within an area zoned for farmland preservation may also be eligible for the \$12.50 per acre tax credit.

## **Frequently Asked Questions**

### **What are the soil and water conservation standards?**

The soil and water conservation standards (agricultural performance standards) are listed in [ATCP 50.04, WI Adm. Code](#) at <http://docs.legis.wisconsin.gov/code> and include requirements for nutrient management planning and for controlling sources of soil erosion and other agricultural sources of nonpoint pollution. Contact your county land conservation department for more specific information about these standards.

### **What counts towards the gross farm revenue requirements?**

Gross farm revenue means that the land produced \$6,000 in gross farm revenue during the previous year or \$18,000 during the previous three years. If the land is rented out, the value of what is produced by the operator on the land can be used to meet the gross farm revenue requirement. The rental payment received does not count toward the gross farm revenue requirement. Other payments received, such as payments for enrolling land in the federal conservation reserve program (CRP), and other state and federal programs, can be used to meet the gross farm revenue requirement.

### **I have a farmland preservation agreement that was signed prior to July 1, 2009. What do I need to do to claim the farmland preservation tax credit?**

You may continue to claim the farmland preservation tax credit as you always have by using Schedule FC. If you wish to claim the per acre tax credit available to landowners after July 1, 2009, you may modify your existing farmland preservation agreement. Once an agreement is modified, you must file Schedule FC-A. Learn about modifying your agreement at [https://datcp.wi.gov/Pages/Programs\\_Services/ModifyFPAgreement.aspx](https://datcp.wi.gov/Pages/Programs_Services/ModifyFPAgreement.aspx)

### **Do I still need to attach a zoning certificate to my income tax return?**

No. The law no longer requires landowners to submit a zoning certificate. In some instances, the Department of Revenue may follow up with claimants to certify that the number of acres listed on Schedule FC-A are eligible for the tax credit. In these instances, the landowner should work with the county or town zoning office to obtain documentation showing that the acres are eligible for the credit. Acceptable documentation could include a letter from the appropriate zoning administrator.

### **Is land under the Managed Forest Law eligible for the tax credit?**

Land that is under the Managed Forest Law (MFL) is eligible for the tax credit using Schedule FC-A if the other requirements, including the gross farm revenue, are met. Landowners under old agreements with land in MFL who must use Schedule FC are not eligible to claim the tax credit on this land.

### **Can farmers receive a tax credit if they also apply for the Homestead Tax Credit?**

A farmer is not eligible for the farmland preservation tax credit if they choose to apply for the Homestead Tax Credit on any of their land.

### **Are there enough state funds to cover the tax credits?**

The state is obligated to pay the full amount for all farmland preservation tax credits claimed in a given tax year. There is no cap on the amount of credit that an individual can claim or on the amount of acreage eligible for a credit.

For more information on the farmland preservation tax credits, contact DATCP at (608) 224-4611 or the Wisconsin Department of Revenue at (608) 266-2442.



**Wisconsin Department of Agriculture, Trade and Consumer Protection**

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