

APPLICATION INSTRUCTIONS

2024 Minnesota Beginning Farmer Tax Credit—Asset Owner

FUNDING IS LIMITED. Tax credits will be awarded on a first-come, first-served basis regardless of deadlines.

Details and Instructions

Asset owners can apply for **one** of the categories below for **each** beginning farmer they work with:

	Credit Amount	Maximum	Application Due Date
Cash Rentals	10% of annual rental income	\$7,000	July 17
Share Crop Rentals	15% of annual rental income. (See instructions below)	\$10,000	July 17
Non-Land Sales (equipment, livestock)	5% of sale price	\$32,000	November 1
*Farmland Sales	8 or 12% of sale price (see note below)	\$50,000	November 1

*Updates for Land Sales, May 2023

- Parents, grandparents, and siblings are now eligible for the tax credit if they sell farmland to a direct family member. This does not apply to leases or non-land sales.
- Credits for farmland sales will be 8% of the sale price for all beginning farmers and 12% if the buyer is also an emerging farmer.
 - » **Emerging Farmers** include farmers or aspiring farmers who are **women, veterans, persons with disabilities, American Indian or Alaskan Natives, members of a community of color, young** (35 and younger), lesbian, gay, bisexual, transgender, queer, intersex, or asexual (**LGBTQIA+**), **urban** (reside in cities with a population over 5,000), and any other emerging farmers as determined by the commissioner.

Program Eligibility

Beginning farmer must:

- Be a Minnesota resident who has entered farming in the last 10 years.
- Be an individual (sales and leases made to business entities are not eligible)
- Provide the majority of labor and management on a farm that is located in Minnesota.
- Have some farming experience and knowledge
- Provide positive projected earnings statements.
- Have a net worth that does not exceed \$979,000 in 2023.
- Be enrolled in or have completed an approved farm business management program.

Asset owners

- May be an individual, trust, LLC, partnership, S-Corp, or other qualified pass-through entity.
- May claim the tax credit for as many years as the beginning farmer(s) they work with are eligible.
- Cannot be an equipment or livestock dealer or other entity in the business of selling agricultural assets for profit.
- Except for land sales, cannot be a direct family member of the beginning farmer.
 - » Direct family includes parents, grandparents, siblings, children, and grandchildren of the beginning farmer and their spouse.
 - » Legal adoption shall be considered in full effect.
 - » For a business entity, this includes any beneficiary, trustee, shareholder, partner, or member.

Application Instructions

1. Complete all sections of this application, including your signature.
2. Attach a signed copy of your lease or sale documents. **Your application is not complete without this step.**
 Sale documents include:
 - » Settlement statement from your closing or notarized contract for deed. This can be sent later when it is available if you provide a signed purchase agreement.
 - » Appraisal for any non-farm assets that are part of a farmland sale (ex. residential home). These will be subtracted from the sale price when calculating your tax credit.
 - » Bill of sale or receipt for equipment or livestock sales
3. All beginning farmers you work with will need to complete a separate application for you to receive your tax credit. These can be submitted with your asset owner application (preferred) or sent in separately.
4. Email (preferred) or mail the completed applications and lease/sale documents to the address below.
 Rural Finance Authority
 625 Robert St. N
 St. Paul, MN 55155
MDA.BFTC@state.mn.us
 651-201-6316

An online application is also available at www.mda.state.mn.us/bftc

Funding is limited and will be awarded on a first-come, first-served basis (regardless of deadlines) to those who have submitted a **complete application**. Online applications are also available at www.mda.state.mn.us/bftc

For questions:

Read our FAQ online or contact:
 Contact Jenny Heck, 612-201-6316
mda.bftc@state.mn.us

Note for Share Crop Leases

- The T-yield data and commodity prices are available on our Share Crop Calculator in the 'Forms + Resources' box on the program webpage
- Prices are based on the RMA crop insurance price as of December the previous year, and are available on our Share Crop Calculator in the 'Forms + Resources' box on the program webpage
- Yields are based on the county's previous year average T-yield data or you may provide your previous year Average Production History (APH).
- Non-Program and specialty crops tax credit calculation will be based off the actual production and a documented price at the time of harvest.

Share Crop Prices for the Beginning Farmer Tax Credit 2023	
We will use the Harvest Price as posted on the RMA site for Minnesota as of December of the previous year	
Commodity	Price
Corn	4.88/bu
Soybean	12.84/bu
Wheat (spring)	7.97/bu
Sunflower (oil)	0.279/lb
Organic	
Commodity	Price
Corn	9.16/bu
Soybean	26.40/bu
Wheat (spring)	15.88/bu
Sunflower (oil)	0.555/lb

Rural Finance Authority | 651-201-6316, MDA.BFTC@state.mn.us

APPLICATION

2024 Minnesota Beginning Farmer Tax Credit—Asset Owner

The data on this form will be used to certify your eligibility in the Beginning Farmer Tax Credit Program as defined by Minnesota Statute 41B.0391 subdivision 1. You are not legally required to provide all of the information on this form, but the Department of Agriculture will only certify the eligibility of asset owners who provide all of the requested information. The information provided on this form will be shared with the Minnesota department of Revenue to validate your tax credit.

A Asset Owner Information *(required by all applicants)*

Sole Proprietor	Partnership	Non-Grantor Trust	Grantor Trust
S Corporation	LLC		

 Asset Owner Name *(NOTE: Applicant name must match that of the owner/lessor on the lease.):*

 Representative Name and Title *(if applicable):*

Address:

City:

State:

Zip:

Phone:

Email:

B Beginning Farmer Information *(required by all applicants)*

Name(s):

Are you or your spouse a direct family member of the beginning farmer? Yes No

If you share a last name with the beginning farmer, please state your relationship to them:

C Agricultural Assets Information *(required by all applicants)*

 What are you renting or selling? *Note: You are able to claim a tax credit on either a lease or a sale for each beginning farmer.*

Lease - farmland, cash rent	Sale - farmland
Lease - farmland, share crop	Sale - equipment
Lease - equipment	Sale - livestock
Lease - other:	Sale - other:

Does this sale or lease include a home or other non-agricultural asset? Yes No

Note: You must provide an appraisal or county tax parcel report showing the value of any non-agricultural assets.

C Agricultural Assets Information *(Continued)*

Legal description of the land you will sell/rent (8 or 12% tax credit for land sale or 10% for cash lease).

ASSETS - CASH LEASES & LAND SALES

# of Acres	Sale/Rental Price	Tax Credit %	Total Tax Credit \$	County	Beginning Farmer Name (if multiple)

Description of the equipment, livestock, or other asset you are selling/renting (5% tax credit for sale or 10% for lease).

ASSETS - EQUIPMENT, VEHICLES, LIVESTOCK

Description	# of Assets	Make/Model (If Applicable)	Dollar Amount	Tax Credit %	Total Tax Credit \$

ASSETS- SHARE CROP LEASES

Crop/County	Acres	APH or T-Yield	Asset Owner's Share Basis %	USDA Fall Price	Tax Credit %	Total Tax Credit \$
					15	
					15	
					15	
					15	

Asset owner must sign this statement. Legal representatives for a corporation may sign on behalf of that entity. Documentation may be required for authorization purposes.

I certify that the above information and any supplemental information is correct and true to the best of my knowledge. Furthermore, I will adhere to the Minnesota Beginning Farmer Tax Credit Program and its Regulations.

Signature: _____ Date: _____