

APPLICATION INSTRUCTIONS

2024 Minnesota Beginning Farmer Tax Credit – Beginning Farmer Certification

APPLICATION DEADLINES

- **JULY 17** for leases
- **NOVEMBER 1** for sales and tuition reimbursement

NOTE

- **Funding is limited.** Tax credits will be awarded on a first-come, first-served basis regardless of deadlines.

Definitions

Beginning Farmer is someone who has entered into farming in the last 10 years. We generally determine the number of years by how many years they claimed farm income (Schedule F) on federal tax returns. Years filing as a minor or dependent (ex. 4-H or FFA project) do not count.

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

The beginning farmer must:

- Be a resident of Minnesota
- Have entered farming in the last 10 years. If the current year is the 10th year, the beginning farmer still qualifies for this program.
- Be an individual (sales and leases made to business entities are not eligible)
- Provide the majority of labor and management on the farm
- Have a net worth under \$979,000 in 2023
- Have some farming experience (this does not apply to FBM tuition only credits for beginning farmers)
- Expect that farming will become (if it has not been already) profitable and a significant source of income.
- The land being farmed must be within the borders of the State of Minnesota.
- The transaction taking place must not involve a family member by blood or marriage **unless it is a land sale**. “Family member” is defined by the IRS section 267(c)(4) and includes parents, grandparents, brothers, sisters, spouses, children, and grandchildren. Legal Adoption shall be considered in full effect. Transactions between aunts/uncles and nieces/nephews, and cousins are eligible.
- The beginning farmer must be enrolled in or have completed an approved financial business management (FBM) program within ten years of their first year of farming: [List of Approved FBM Programs](#)
 - Beginning farmers are eligible for a nonrefundable MN income tax credit equal to their tuition paid up to a maximum of \$1,500. The credit is available for up to three years.
 - If the beginning farmer has already completed 30 credits of FBM courses (or the equivalent hours in another approved FBM program), they do not need to register for additional courses to be eligible for the tax credit.
 - Beginning farmers may request to waive the FBM program requirement if they have a 4-year agricultural degree or reasonable work experience in agricultural finance.

Application Instructions

Please complete all sections of this application, unless otherwise noted. Sign and date the application and submit it using the email or address on page 4. **You must also submit a signed copy of your lease or sale documents and FBM tuition receipt.** Your asset owner(s) will also need to submit an application to receive their tax credit.

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

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

APPLICATION

2024 Minnesota Beginning Farmer Tax Credit

The data on this form will be used to certify your status as a beginning farmer 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 beginning farmers 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 Beginning Farmer Information *(REQUIRED)*

Name: _____ Spouse's Name (if applicable): _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Phone #: _____ Email: _____
 Age at Time of Application *(Optional)*: _____ County: _____

Please answer the following yes/no questions

Question	YES	NO
Are you a Minnesota Resident?	YES	NO
Are you a beginning farmer? <i>(See definition in instructions)</i>	YES	NO
Are you an emerging farmer? <i>(See definition in instructions)</i>	YES	NO
Is your farm located within Minnesota's borders?	YES	NO
Will you (and your spouse) provide the majority of physical labor and management for your farm?	YES	NO
Is your net worth less than \$979,000?	YES	NO
Do you expect your farm will eventually be profitable and a significant source of income?	YES	NO
Is the asset owner(s) you're buying/leasing from a direct family member?	YES	NO
Does your purchase or lease include a home or other non-agricultural asset?	YES	NO

B Farming Experience *(REQUIRED - Check all that apply)*

Farm Experience	Length of Time	Farm Experience	Length of Time
Grew up on a farm		Work experience on a farm	
Participated in FFA, 4-H		Farm owner	
Member of farming club/association		Other:	

E Agricultural Assets Information Cont'd

ASSETS - FARMLAND
Description of the land you will purchase/rent under the Beginning Farmer Tax Credit

County	# of Acres	Rent/Sale Price	Owner Name (if multiple)

ASSETS - EQUIPMENT, VEHICLES, LIVESTOCK
Description of the Agricultural Asset you are purchasing/leasing: (complete applicable fields)

County	# of Assets	Asset Description (Ex. 20 Beef Cattle, 1941 Mpls-Moline GT)	Dollar Amount

I certify that information on this application and any supplemental information is correct and true to the best of my knowledge. If any information on this application changes, I will contact the RFA. Furthermore, I will adhere to the Beginning Farmer Tax Credit policies and regulations.

Signature / Date: _____

Application Submission

EMAIL (preferred): Mda.bftc@state.mn.us

Mail Rural Finance Authority
625 Robert Street N.
St. Paul, MN 55155

- 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.

Note: You and/or your asset owner must submit the following documents to complete your application. **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**.

1. Beginning Farmer application
2. Asset owner application
3. Lease or sale documents for all assets.
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.

Deadlines: Applications are due on **July 17 for leases** and **November 1 for sales and tuition reimbursement**. Funding is limited, and applications will be approved on a first-come, first-served basis regardless of deadlines.

Note: If you are a beginning farmer submitting a **tuition-only application**, you do not need to submit an asset owner application, lease or sale documents.

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