

## 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 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 less than \$1,013,000 in 2024. This includes all assets and debt of you, your spouse, and dependents (property, savings, investment and retirement accounts, etc.)
- 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 direct family member by blood or marriage unless it is a land sale. “Direct family” is defined by the IRS section 267(c)(4) and includes parents, in-laws, grandparents, siblings, 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](http://www.mda.state.mn.us/bftc)

Rural Finance Authority Phone: 651-201-6316

# 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)*: \_\_\_\_\_

Last 4 digits of beginning farmer's social security number *(optional to create unique identifier)*

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 <i>(and your spouse)</i> provide the majority of physical labor and management for your farm?	YES	NO
Is your net worth less than \$1,013,000?	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:	

**B Farming Experience Cont'd (REQUIRED)**

**Education/Training:** List schools, workshops, and course attended *(include farm financial training)*

School/Organization	Course Name or Degree Major Ex. "Farm Business Management Essentials" or "Animal Science"	Degree or Length of Program Ex. "3 years" or "Associate's Degree"	Date

Describe the type of farming operation you will be running.

**C Farm Profitability (REQUIRED)**

**Provide a Cash Flow:**  
If you need additional years to show a positive net profit, you can attach a separate sheet

**Note:**  
**Do not** send us your balance sheet or financial report *(ex. Finpack)*

Estimated Cash Flows	2024	2025	2026
Farming Income	\$	\$	\$
Farming Expenses	\$	\$	\$
Net	\$	\$	\$

**D Farm Business Management (REQUIRED)**

Please select one of the following for your Farm Business Management (FBM) program requirement:

- I am applying for a FBM tuition reimbursement tax credit.
- I have already been reimbursed for 3 years of FBM tuition and no longer qualify for the tax credit.
- I am requesting a waiver because 1) I have already completed a 30-credit or equivalent approved FBM program, or 2) I have a four year degree in agriculture or work experience in ag finance. *(Provide information/rationale in Section B above.)*

If you are applying for the tuition reimbursement tax credit, you must provide the information below. If you do not know the out of pocket cost, you can write "TBD" for Cost of Courses, and send your receipt by Nov 1.

Name of Course(s):

Date: \_\_\_\_\_ Out of Pocket Cost of Courses \$ \_\_\_\_\_ School Name: \_\_\_\_\_

Instructor's Name: \_\_\_\_\_ Phone #: \_\_\_\_\_

Instructor's Email Address: \_\_\_\_\_

**E Agricultural Assets Information (Required if you are applying with an asset owner)**

List the names of **all** your asset owners (landlords, sellers) here.

Note: Please submit **one beginning farmer application** each year. Do not submit multiple for each asset owner you work with.

## 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](mailto:Mda.bftc@state.mn.us)

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

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.

- 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.

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, 651-201-6316  
[Mda.bftc@state.mn.us](mailto:Mda.bftc@state.mn.us)