Farmland Preservation Tax Credit Information For Participants

Wisconsin's Farmland Preservation Program

Preserve farmland. Protect the environment. Grow the economy.



What is the farmland preservation tax credit?

The farmland preservation tax credit is a refundable state income tax credit. Eligible landowners may claim this tax credit on their state 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.

Eligible landowners can file using Tax Schedule FC-A with their state income tax return at one of the following rates:

$10.00/Acre	For qualifying acres located in a certified farmland preservation zoning district but not subject to a farmland preservation agreement
$10.00/Acre	For qualifying acres that are subject to an effective farmland preservation agreement in an Agricultural Enterprise Area signed after July 1, 2009 or subject to an effective modified farmland preservation agreement signed before July 1, 2009
$12.50/Acre	For qualifying acres that are located in a certified farmland preservation zoning district AND subject to an effective farmland preservation agreement in an Agricultural Enterprise Area signed after or subject to an effective modified farmland preservation agreement signed before July 1, 2009

What are the eligibility requirements to claim the farmland preservation tax credit?

- The landowner must have been a resident of Wisconsin for the entire taxable year.
- The landowner must have been the owner of the farmland at the end of the year for the year in which the credit is claimed.
- Lands must meet at least one of the following:
  a) Be located within a certified farmland preservation zoning district
  b) Be enrolled in an effective farmland preservation agreement, signed after July 1, 2009 in an Agricultural Enterprise Area or signed before July 1, 2009 and modified to meet current standards
- The landowner may not have claimed homestead credit or veterans and surviving spouses property tax credit for that year.
- The whole farm[1] must meet applicable state soil and water conservation standards and have a valid certification of compliance from the county in which the farmland is located.
- The land produced $6,000 in gross farm revenue in the preceding year or a combined $18,000 in gross farm revenue during that year and the preceding two years. If a landowner rents the farmland, the landowner may claim on that land provided the renter meets the gross farm revenue requirement.

Additional information on the next page.

[1] Farm is defined as all land under common ownership primarily devoted to agricultural use

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What is a Certification of Compliance (CoC)?

County land conservation departments monitor participant compliance with soil and water conservation standards with an inspection at least once every four years. All claimants that meet these compliance standards will be issued a CoC that has a unique number that is used by the Department of Revenue to verify the claimant's compliance status. The first time a claimant files for the tax credit, they are required to include a copy of the CoC.

Landowners who do not meet standards must address the problem or receive a notice of noncompliance, which will also notify the Wisconsin Department of Revenue. If a claimant is found to be out of compliance with the standards, the claimant must take action to address the issue identified for the notice of noncompliance to be canceled. Once the farmer is back in compliance, the Department of Revenue will be notified.

A CoC is issued by the county land conservation department and signifies that the land meets state soil and water conservation standards. All claimants must receive a CoC in order to claim the farmland preservation tax credit. The first time a claimant claims the credit, the CoC should be attached to the claim.

Can I claim on lands enrolled in the Managed Forest Law (MFL) program?

Yes, a landowner may claim the farmland preservation tax credit on lands enrolled in MFL if the land is located in a certified farmland preservation zoning district or covered by a farmland preservation agreement signed after July 1, 2009 in an Agricultural Enterprise Area or an effective modified farmland preservation agreement signed before July 1, 2009.

I have a farmland preservation agreement that was signed prior to July 1, 2009 that has not been modified. 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 Tax Schedule FC. You will be required to provide the agreement number from the original recorded farmland preservation agreement. 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.

About the Farmland Preservation Program

Wisconsin's Farmland Preservation Program is a tool that farmers and local governments can use to preserve farmland, protect soil and water resources, and minimize land use conflicts. Participating landowners are eligible for income tax credits at a per-acre rate.

Through participation in Wisconsin's Farmland Preservation Program, agricultural landowners can preserve their productive farmlands and participate through locally adopted farmland preservation zoning ordinances or by signing farmland preservation agreements in locally petitioned Agricultural Enterprise Areas (AEAs). Communities can layer the different participation options together to best fit their community's needs. For more information, visit DATCP's website.

Where can I find more information?

For additional resources or information about Wisconsin's Farmland Preservation Program, visit http://farmlandpreservation.wi.gov. If you have questions, please call (608) 224-4611 or email us at datcpworkinglands@wisconsin.gov.

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