Incentives to Promote Farming and Farmland Protection
**Property Tax Benefits**

- **NY, School Tax Credit** – Credit = all school taxes paid on first 250 acres of eligible land. 50% of school taxes on land over the limit. Limitations for NY AGI > $100,000.

- **Harford Cty, MD Ag Pres. Tax Credit** –
  - In an Ag District – 50% of property tax or $35/acre, whichever is lower.
  - Ag Easement – 100% of property tax or $35/acre, whichever is lower.
Property Tax Benefits

- **MI**, “Circuit-breaker” Tax Credit – Farmland and Open Space Preservation Contract (min. 10 years), Credit = all property taxes paid > 3.5% of “household” income, no cap.

Incentives for Conservation Easements

- **CT**, Tax Credit for donation of land – Credit = 50% of value of gift (FMV of donation or value of discount) against state income tax. Carry forward available for up to 10 years.
Incentives for Conservation Easements

- **AZ**, Tax Credit for donation of land – Credit = Value of gift (donation of fee simple or development rights), up to $33,000/tax year. Any amount of credit not used to offset tax liability is returned as a refund. $10.0 million cap on applications per year per district.

- **CO**, Consv. Easement Tax Credit – Credit = Value of easement, up to $260,000. Credit/refund received limited to $50,000/year. Any amount over annual limit may be carried forward or transferred to another party.
**Incentives for New Ag Ventures**

- **NE**, Beginning Farmer Tax Credit – Credit = 5% of gross rental income of agricultural assets leased to a qualified beginning farmer.
  - MA proposal – Credit = full rental income of ag assets leased &/or proceeds of sale of farmland to qualified beginning farmer. $50,000 cap. Unused credit carried over for up to 5 subsequent years.

**Incentives for New Ag Ventures**

Ag Investment Tax Credit Programs.

- **Iowa** – Credit = up to 10% of investment. Unused balance carried forward for up to 7 years. Refund option for value-added ag. projects.

- **MO** – Credit = 50% of investment up to $15,000. Unused balance can be applied to previous 3 tax years or next 5 tax years, or transferred.
**Incentives for New Ag Ventures**

Ag Investment Tax Credit Programs.
- **ND** – Credit = 30% of investment up to $20,000. But, no more than 50% of credit can be used in any one year and credit may not exceed 50% of tax liability. Carry forward – 15 years.
- **CO** – Credit = 50% of investment in a project up to $15,000. No Carry forward. Credit = 100% of contributions to Ag value-added Fund. Full return in credit or refund.

**Agricultural Enterprise Zones**

- **VA**. Proposal (HB 2805).
  - Tied to existing ag districts, covers new and existing ag. operations.
  - Tax credit = 80% of state tax in year 1, 60% of tax due in years 2-10.
  - State sales tax exemptions for 5 years.
  - Authorization for local incentives.