Information from AFT regarding income limitations for recipients of Farm and Ranch Lands Protection Program funds:

AGI limitation applies. Note the exception to the $2.5 million AGI limit – if 75% of AGI is derived from farming, etc.

From the rule:

“(d) Eligible land must meet the definition of “eligible land” as provided Section 1491.3. In addition:

...

(5) Eligible land must be owned by landowners who certify that they do not exceed the adjusted gross income limitation eligibility requirements set forth in Section 1604 of the Farm Security and Rural Investment Act of 2002.

...

In order to avoid a conflict with any policy contained within the Adjusted Gross Income Limitation final rule, NRCS directs respondents to the Adjusted Gross Income Limitation final rule, which is currently being promulgated. However, to clarify some matters raised during the FRPP proposed rule comment period, NRCS will briefly explain the adjusted gross income limitation and identify how this limitation relates to the FRPP. Section 1604 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 1-7-171) prohibits individuals and entities exceeding an average adjusted gross income limitation of $2.5 million from receiving USDA payments, unless 75 percent or more of their adjusted gross income is derived from farming, ranching or forestry production. Landowners receiving FRPP payments would be subject to this adjusted gross income limitation. The proposed Adjusted Gross Income Limitation rule, 7 CFR part 1400.6, clarifies this income limitation, and sets forth the criteria to be applied in determining whether certain income limits have been exceeded by an individual. Policy on corporate ownership and land sale revenues, as well as administrative procedures, such as income verification, are addressed in 7 CFR part 1400.6. In order to comply with Section 1604 of the Farm Security and Rural Investment Act of 2002, NRCS will comply with the statute and final rule governing the adjusted gross income limitation.”

The Farm and Ranch Lands Protection Program (FRPP) final rule is expected to be published on Friday, May 16th.