

93.53 Beginning farmer and farm asset owner tax credit eligibility.

(1) DEFINITIONS. In this section:

- (a)** "Agricultural asset" means machinery, equipment, facilities, or livestock that is used in farming.
- (b)** "Beginning farmer" means an individual who meets the conditions specified in sub. (2).
- (c)** "Educational institution" means the Wisconsin Technical College System, the University of Wisconsin-Extension, the University of Wisconsin-Madison, or any other institution that is approved by the department under sub. (6) (a).
- (d)** "Established farmer" means a person who meets the conditions specified in sub. (3).
- (e)** "Farming" has the meaning given in section 464 (e) (1) of the Internal Revenue Code.
- (f)** "Financial management program" means a course in farm financial management that is offered by an educational institution.

(2) BEGINNING FARMER. An individual is a beginning farmer for the purposes of s. 71.07 (8r), 71.28 (8r), or 71.47 (8r) if, at the time that the individual submits an application under sub. (4), all of the following apply:

- (a)** The individual has a net worth of less than \$200,000.
- (b)** The individual has farmed for fewer than 10 years out of the preceding 15 years.
- (c)** The individual has entered into a lease for a term of at least 3 years with an established farmer for the use of the established farmer's agricultural assets by the beginning farmer.
- (d)** The individual uses the leased agricultural assets for farming.

(3) ESTABLISHED FARMER. A person is an established farmer for the purposes of s. 71.07 (8r), 71.28 (8r), or 71.47 (8r) if, at the time that the person submits an application under sub. (4), all of the following apply:

- (a)** The person has engaged in farming for a total of at least 10 years.
- (b)** The person owns agricultural assets.
- (c)** The person has entered into a lease for a term of at least 3 years with a beginning farmer for the use of the person's agricultural assets by the beginning farmer.

(4) APPLICATIONS.

(a) In order for an experienced farmer to claim the farm asset owner tax credit under s. 71.07 (8r) (b) 2., 71.28 (8r), or 71.47 (8r), the experienced farmer and the beginning farmer who is leasing agricultural assets from the experienced farmer shall each submit an application to the department.

(b) An established farmer shall include in the application under this subsection the established farmer's name and address, information showing that the established farmer satisfies the conditions in specified in sub. (3), a description of the leased agricultural assets and their location, a copy of the lease, and any other information required by the department.

(c) A beginning farmer shall include all of the following in an application under this subsection:

1. The beginning farmer's name and address.
2. Information showing that the beginning farmer satisfies the conditions in sub. (2).
3. A business plan that includes a current balance sheet and projected balance sheets for 3 years, cash flow statements, and income statements along with a detailed description of all significant accounting assumptions used in developing the financial projections.
4. A description of the beginning farmer's education, training, and experience in the type of farming in which the beginning farmer uses the leased agricultural assets.
5. A copy of the beginning farmer's completed federal profit or loss from farming form, schedule F, or other documentation approved by the department under sub. (6).
6. Any other information required by the department.

(d) If a beginning farmer wishes to claim the beginning farmer educational credit under s. 71.07 (8r) (b) 1., the beginning farmer shall also include in the application under this subsection a description of the financial management program completed by the beginning farmer and a statement of the amount that the beginning farmer paid the educational institution to enroll in the financial management program.

(5) EVALUATION AND CERTIFICATION.

(a) The department shall review applications submitted under sub. (4) (a).

(b) The department shall provide an established farmer with a certificate of eligibility for the farm asset owner tax credit under s. 71.07 (8r) (b) 2., 71.28 (8r), or 71.47 (8r) if all of the following apply:

1. The established farmer's application complies with sub. (4) (b).

2. The beginning farmer's application complies with sub. (4) (c).

3. The department determines that the business plan submitted under sub. (4) (c) 3. and the education, training, or experience described under sub. (4) (c) 4. show that the beginning farmer has sufficient resources and education, training, or experience for the type of farming in which the beginning farmer uses the leased agricultural assets.

(c) The department shall provide a beginning farmer with a certificate of eligibility for the beginning farmer educational credit under s. 71.07 (8r) (b) 1. if the department has issued a certificate of eligibility under par. (b) for the experienced farmer from whom the beginning farmer leases farm assets and the information provided under sub. (4) (d) shows that the beginning farmer has completed a financial management program.

(6) DEPARTMENT AUTHORITY.

(a) The department may approve providers of courses in farm financial management for the purposes of the beginning farmer educational credit under s. 71.07 (8r) (b) 1.

(b) The department may approve alternative documentation for the purposes of sub. (4) (c) 5.

(c) The department may assist beginning farmers to develop business plans for the purposes of sub. (4) (c) 3. and may assist in the negotiation of leases of farm assets that may enable persons to qualify for tax credits under s. 71.07 (8r), 71.28 (8r), or 71.47 (8r).

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