

Frequently Asked Questions

Farmland Preservation Program (FPP)

Zoning

WHAT ARE THE GENERAL ELIGIBILITY REQUIREMENTS?

- The land that is claimed for the Farmland Preservation Tax Credit is located in a town with Farmland Preservation Zoning.
- Property taxes are up-to-date
- Wisconsin residency
- Property has generated, directly or indirectly, \$6,000 in gross farm revenue in the past year or \$18,000 in the past three years.

HOW MUCH DOES IT COST ME?

Status reviews are conducted every four years and will include a farm visit and performance review of State of Wisconsin Soil and Water Conservation Standards. Invoices will be mailed to all participants who will receive a Status Review in that calendar year.

Review fee rates are as follows: 1-100 acres = \$50; 101-200 acres = \$100; Each additional 200 acres = \$50

HOW DOES THIS PROGRAM BENEFIT ME?

By having your land included in the Farmland Preservation Zoning district, you are indicating your commitment to continue farming the land that you own. In return for this commitment, you may claim the farmland preservation income tax credit. The credit is either \$7.50 or \$10.00 per acre depending on your agreement choice.

WHAT ARE THE LAND-USE RESTRICTIONS UNDER THE PROGRAM?

The restrictions are those of the Farmland Preservation Zoning District in the zoning code. If a Farmland Preservation Agreement is also signed, the agreement is for 15 years and requires that land use on the covered land remain in the following uses for the term of the agreement: agricultural use, accessory use, undeveloped natural resource and open space use, or minor pre-existing use which is compatible with agricultural use.

DOES ALL OF MY LAND HAVE TO BE COVERED BY THE PROGRAM?

You may choose to exclude a portion of a farm or parcel from coverage. However, to claim the income tax credit on any land, your land must meet State of Wisconsin Soil and Water Conservation Standards on all owned acres, regardless of whether it is covered.

WHAT ARE THE CONSERVATION STANDARDS?

Cropland and pasture standards = erosion control, nutrient management planning, tillage setback. Livestock standards = proper manure storage facility construction/maintenance/closure, clean water diversions, manure management prohibitions, processing wastewater discharge management.

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IS LAND UNDER THE MANAGED FOREST LAW ELIGIBLE FOR THE TAX CREDIT?

Land that is under the Managed Forest Law (MFL) is eligible for the tax credit if the other minimum requirements, including the gross farm revenue, are met.

CAN A FPP PARTICIPANT RECEIVE A TAX CREDIT IF THEY ALSO APPLY FOR THE HOMESTEAD TAX CREDIT?

A FPP participant is not eligible for the farmland preservation tax credit if they choose to apply for the Homestead Tax Credit on any of their land.

IS THE FPP TAX CREDIT CONSIDERED A TAXABLE INCOME FOR FUTURE YEARS' TAX RETURNS?

The full amount of any farmland preservation credit received must be included in taxable income for Wisconsin income tax purposes. A farmland preservation credit that you receive may be includable as income for federal income tax purposes.

WHAT TYPE OF TAX CREDIT IS THE FARMLAND PRESERVATION TAX CREDIT?

The FPP credit is a refundable income tax credit. If the credit is not entirely offset against qualifying Wisconsin franchise or income taxes due for the current taxable year, the balance will be refunded. The credit does not change or effect property tax assessments.

ARE THERE ENOUGH STATE FUNDS TO COVER THE TAX CREDITS?

The state is obligated to pay the full amount for all tax credits claimed in a given tax year. There is no cap on the amount of credit that an individual can claim or on the amount of acreage eligible for a credit.

WHAT COUNTS TOWARDS THE GROSS FARM REVENUE REQUIREMENTS?

Gross farm revenue is income generated from all land owned under common ownership* of the landowner participating in Farmland Preservation. If the land is rented out, the actual rental payment received by the landowner is not counted toward gross farm revenue, nor is the income the renter generates on other land the renter owns or operates. Other payments received, such as payments for enrolling land in the federal conservation reserve program (CRP), and other state and federal programs, can be used to meet the gross farm revenue requirement. *Common ownership means land owned under the same name(s), such as documented on the deed or land contract.