



Farmland Preservation Credit

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1. What are the major differences between Schedules FC and FC-A?

Category	Schedule FC	Schedule FC-A
Qualifications:	<ul style="list-style-type: none"> ■ Claimant must be subject to a farmland preservation agreement entered into prior to July 1, 2009 	<ul style="list-style-type: none"> ■ Claimant must have an ownership interest in a farm that is covered by a farmland preservation agreement entered into on or after July 1, 2009, or located in a farmland preservation zoning district
	<ul style="list-style-type: none"> ■ The 2009 property taxes for the property on which the claim is based must have been paid in full 	<ul style="list-style-type: none"> ■ The claimant must have paid or be legally responsible for paying the 2010 property taxes levied against the qualifying acres to which the claim relates
	<ul style="list-style-type: none"> ■ The claim must be based on at least 35 acres of farmland 	<ul style="list-style-type: none"> ■ No minimum acreage requirement

	<ul style="list-style-type: none"> ■ Claimant must be in compliance with soil and water conservation plans and standards at the time the claim is filed 	<ul style="list-style-type: none"> ■ Claimant must be in compliance with soil and water conservation plans and standards as of the end of the taxable year to which the claim relates
Credit Computation:	<ul style="list-style-type: none"> ■ Credit is a percentage of a base amount determined using the claimant's household income and property taxes 	<ul style="list-style-type: none"> ■ Credit is a flat per-acre payment of \$5, \$7.50, or \$10, based on the claimant's qualifying acres
	<ul style="list-style-type: none"> ■ Maximum credit allowed is \$4,200 	<ul style="list-style-type: none"> ■ No limitation on the amount of credit

2. Which schedule should I use?

A 2010 farmland preservation credit claim may be filed using Schedule FC-A, Schedule FC, or both. However, a credit may not be claimed on the same acreage using both Schedule FC-A and Schedule FC.

File Schedule FC-A if 1) you have an ownership interest in a farm that is covered by a farmland preservation agreement or transition area agreement entered into on or after July 1, 2009 (see note below) or located in an area designated in a certified exclusive agricultural use zoning or farmland preservation zoning ordinance and 2) you otherwise qualify (see Who May Claim the Credit and Who May Qualify on page 1 of the [instructions](#) for Schedule FC-A).

Note: A farmland preservation agreement is considered entered into prior to July 1, 2009, if 1) the application for the agreement was submitted to the county clerk between January 1, 2008, and June 30, 2009, and 2) the agreement was entered into on or after July 1, 2009.

File Schedule FC if 1) you are subject to a farmland preservation agreement or transition area agreement entered into prior to July 1, 2009 (see note above), and 2) you otherwise qualify (see Who May Claim the Credit and Who May Qualify on page 2 of the [instructions](#) for Schedule FC).

3. I'm buying some property. How can I find out if farmland preservation credit was claimed on it?

Unfortunately, we cannot provide that information to anyone but the person who claimed the credit. You must contact the property owner to obtain the information.

4. Currently, my farmland is subject to a farmland preservation agreement. I'm wondering if I can get my farmland out of the agreement and, if so, how much do I have to pay as a result?

The payback portion of the program is handled by the Department of Agriculture, Trade, and Consumer Protection (DATCP). Contact DATCP at (608) 224-4633. DATCP will inform you of whether the farmland can be taken out of the program. DATCP will send you the necessary forms to complete. In general:

For agreements applied for prior to July 1, 2009, the landowner must pay back the last ten years of tax credits received by any owners of the land.

For agreements applied for after July 1, 2009, or agreements modified after that date, the landowner must pay a conversion fee that is equal to 3 times the per acre value, times the number of acres being terminated or released from the agreement, for the year in which the farmland preservation agreement is terminated or the land is released, of the highest value category of tillable cropland in the city, village, or town in which the land is located, as specified by the Department of Revenue under s. 73.03(2a), Wis. Stats.

5. I'm doing my taxes and I know I have to include the amount of farmland credit I received last year in taxable income. How can I find out how much farmland credit I received?

You should review all tax returns filed during the previous year, including any late and amended returns, and any adjustment notices you received from the department to determine how much farmland preservation credit (FPC) and farmland tax relief credit (FTRC) was received. If you need this information, you must write to the Department of Revenue, P.O. Box 8906, Madison, WI 53708-8906. This information cannot be furnished over the telephone, by e-mail, or by fax.

6. I received a letter saying you need copies of my real estate tax bills. Aren't they attached to my return?

When we request copies of the tax bills, it is for one of the following reasons:

- No real estate tax bills were attached;
- Copies of tax bills for the wrong years were attached;
- Copies of the tax receipts instead of the actual tax bills were attached;
- Copies of the tax bills were incomplete; or
- Copies of the tax bills were illegible.

We need copies of the actual real estate tax bills because they are the only documents that provide all of the necessary information, such as the year, name, whether there are any unpaid prior year taxes, whether there are any improvements on the parcel, and the assessed values. Tax receipts provide some, but not all, of this information.

Often, the tax bills attached are for the taxes the claimant paid during the claim year, not the taxes levied during the year. While a cash-basis claimant may deduct the taxes paid during the year as an expense on federal Schedule E or F, claimants must use the taxes levied during the claim year for farmland preservation credit purposes.

The tax bills that are submitted need to be complete copies. If parts of the parcel numbers or legal descriptions are cut off, we may not be able to determine if those parcels are subject to farmland preservation credit. If photocopies are too light to read or are blurry, we have the same problem.

7. I'm contemplating having some of my farmland rezoned to something other than exclusive agricultural zoning. How much of a fee must be paid?

You should contact your local planning and zoning officials. They administer the rezone conversion fee. The fee is equal to 3 times the per acre value, for the year in which the rezoning occurred, of the highest value category of tillable cropland in the city, village, or town in which the land is located, as specified by the Department of Revenue under s. 73.03(2a), Wis. Stats.

8. What's the difference between an executed and an unexecuted farmland preservation agreement?

An executed agreement has all information in the box on the front of the agreement, as well as the first paragraph blanks, completed by staff from the Department of Agriculture, Trade, and Consumer Protection. The back of the agreement is also signed by them in two different areas. An unexecuted agreement is blank in some of these areas. A copy of the executed agreement must be attached to the claim or on file at the Department of Revenue.

9. I rent out my farmland. How do I determine if my farmland meets the gross profits requirement?

You should contact the renter to find out what crops are being produced on your farmland and what happens to those crops. If the crops are sold outright, you would use those amounts to determine whether the Schedule FC gross profits requirement or Schedule FC-A gross revenues requirement was met.

If the crops being produced on your farmland are fed to cattle which in turn produced milk that was sold, the renter should compute a ratio to prorate the milk receipts. The numerator of the ratio is the amount of crops produced on your farmland which was fed to those cattle, and the denominator is the total amount of crops fed to those cattle. Multiply the milk receipts by this ratio to arrive at an approximate amount of profits considered produced on your farmland.

10. I bought some farmland several years ago and wasn't aware of the farmland preservation credit program. Can I go back to past years and amend my tax returns to claim this credit using Schedule FC?

Possibly. If the farmland is already subject to a farmland preservation agreement, you must know the effective date of that agreement. In order to claim farmland preservation credit (FPC), the agreement must have been in effect on **July 1** of the claim year. If there is no farmland preservation agreement in effect, no credit for past years can be allowed.

For farmland subject to exclusive agricultural zoning, you must have had a soil and water conservation plan on file with the county conservation office and been following that plan for those years. With either document, you must also have met all other FPC requirements for each applicable claim year. The FPC claims must be filed not later than 4 years after the unextended due date of that year's income tax return. For example, for calendar year filers, the 2009 Schedule FC must be filed by April 15, 2014.

Note: Schedule FC-A was first available for taxable years beginning January 1, 2010.

11. I sold some property during the year. Can I claim farmland preservation credit for those parcels?

Schedule FC filers:

If the farmland is subject to a zoning certificate, you may claim that portion of the taxes allocated to you on the closing statement, provided those parcels are still zoned for exclusive agricultural use at the end of your claim year and they are on your zoning certificate, **and** you met all requirements for farmland preservation credit (FPC) purposes. If the farmland is subject to a farmland preservation agreement, you may claim that portion of the taxes allocated to you on the closing statement, provided you met all other FPC requirements.

Schedule FC-A filers:

You must have paid to or be legally responsible for paying to the taxing authority the 2010 property taxes levied against the parcels sold, as well as have met all other FPC requirements.

12. I have an agreement from before July 1, 2009. How can I claim farmland preservation credit on Schedule FC-A?

The farmland preservation agreement must be modified to collect the new credit on Schedule FC-A. You can contact the Department of Agriculture, Trade and Consumer Protection (DATCP) to obtain the application to modify the agreement. In general, the modified agreement would require the expanded soil and water conservation requirements and require a conversion fee to remove lands from the agreement. Contact DATCP at (608) 224-4633.

13. How should I determine if the land I own is located in a farmland preservation zoning district?

You should contact the local planning and zoning office to determine whether the land is within the certified farmland preservation zoning district. This could be at the county, town, city, or village government.

14. Can I still claim the farmland tax relief credit?

You may claim the farmland tax relief credit on amended income tax returns not later than 4 years after the unextended due date of that year's income tax return. For example, for calendar year filers, the 2009 return may be amended until April 15, 2014. The farmland tax relief credit is not available for taxable years beginning on or after January 1, 2010.

FOR MORE INFORMATION PLEASE CONTACT:

WISCONSIN DEPARTMENT OF REVENUE
Farmland Preservation Credit Taxpayer Assistance
P.O. Box 8906
Madison, WI 53708-8906
Phone: (608) 266-2442
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[E-Mail Additional Questions](#)

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