



FOR IMMEDIATE RELEASE

January 31, 2024

Contact: Rep. Jenna Jacobson, 608-237-9143

Sen. Mark Spreitzer, 608-266-2253

### **Rep. Jenna Jacobson and Sen. Mark Spreitzer Introduce Bill to Support Beginning Farmers**

MADISON – Today, Rep. Jenna Jacobson (D-Oregon) and Sen. Mark Spreitzer (D-Beloit) introduced legislation with Representative Dave Considine (D-Baraboo) to create a refundable tax credit for beginning and existing farmers for the sale or lease of agricultural assets, including farmland. LRB 5758 would create the Farming Forward Program in Wisconsin, which would help pass family farms on to the next generation by encouraging existing farmers to sell or lease farmland and machinery to beginning farmers and help beginning farmers with their startup costs.

“Family farms are central to Wisconsin’s history, culture, and infrastructure,” said Rep. Jacobson. “Wisconsin’s agricultural heritage and family farms are the backbone of our rural communities and our state. Farmers across Wisconsin have shared that one of the biggest hurdles to continuing and strengthening our agricultural legacy is expensive startup costs. At the same time, many farmers who are looking to retire rely on income from selling or leasing the farm to fund their retirement, and may not be able to afford to sell or lease their land at a discount to a beginning farmer. To address these issues, LRB 5758 creates the Farming Forward Program. This program provides a 5% refundable tax credit to beginning and existing farmers for the sale or lease of agricultural assets, including farmland. The beginning farmer may also claim a credit equal to 5% of the amount they paid for improvements on agricultural assets consisting of land and facilities. In this way, we can strengthen Wisconsin’s rich legacy of generational farms.”

“Family farms and agriculture are central to Wisconsin’s heritage and to our economy,” said Sen. Spreitzer. “We are proud to introduce legislation today to uphold Wisconsin’s strong tradition of agricultural excellence by supporting our next generation of family farmers. Wisconsin’s farmers are aging, even while farmland acreage and the total number of farms across our state are in decline. The Farming Forward Program would create an important incentive for farm asset owners to sell or rent agricultural assets – including land, machinery, equipment, facilities, and livestock – to beginning farmers at a more affordable price. The program will help beginning farmers afford critical startup costs and make needed investments in their farming operation to set themselves up for long-term success.”

LRB 5758 is available for cosponsorship by the members of the state legislature through February 9. The bill was modeled on a previous beginning farmer tax credit program in Wisconsin, as well as successful programs in Minnesota and Iowa. LRB 5758 was drafted in consultation with the Wisconsin Department of Agriculture, Trade, and Consumer Protection (DATCP) and the Wisconsin Department of Revenue (DOR), and has the support of the Wisconsin Farm Bureau Federation, the Wisconsin Farmers Union, the Dairy Business Association, and the Wisconsin Agri-Business Association.

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*\*\* Attached to this release is the cosponsorship memo and bill for LRB 5758, which would create the Farming Forward Program in Wisconsin.\*\**

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**Contact Sen. Spreitzer**

608-266-2253 | [Sen.Spreitzer@legis.wisconsin.gov](mailto:Sen.Spreitzer@legis.wisconsin.gov) | [www.SenSpreitzer.com](http://www.SenSpreitzer.com)

**Contact Rep. Jacobson**

608-237-9143 | [Rep.Jacobson@legis.wisconsin.gov](mailto:Rep.Jacobson@legis.wisconsin.gov)

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**From:** Rep.Jacobson  
**Sent:** Wednesday, January 31, 2024 9:13 AM  
**To:** Legislative All Senate; Legislative All Assembly  
**Cc:** Rep.Considine; Rep.Jacobson; Sen.Spreitzer  
**Subject:** Re: Co-sponsorship of LRB 5758, the Farming Forward Program, relating to: income tax credits for beginning farmers and owners of farm assets and making an appropriation.  
**Attachments:** 23-5758\_1.pdf



### **CO-SPONSORSHIP MEMORANDUM**

**TO:** All Legislators

**FROM:** Representatives Jenna Jacobson and Dave Considine  
Senator Mark Spreitzer

**DATE:** January 31, 2024

**RE:** **Co-sponsorship of LRB 5758, the Farming Forward Program, relating to: income tax credits for beginning farmers and owners of farm assets and making an appropriation.**

**DEADLINE: February 9, 2024**

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Family farms are central to Wisconsin's history, culture, and infrastructure. Wisconsin's farmers have long been strong stewards of our environment and are critical for improving our food security and water quality. Wisconsin's agricultural heritage and family farms are the backbone of our rural communities and our state.

However, family farms in our state are threatened: Wisconsin's farmers are aging, the number of farms is declining, and farmland acreage is decreasing. According to the most recent Census of Agriculture in 2017, the average age of a farm producer in Wisconsin is 56 years, and there are more than twice as many farm producers between the ages of 55 and 74 as between the ages of 25 and 44. Between 2011 and 2021, the number of farms in Wisconsin decreased by over 16% and total farm acreage fell by over 5%.

Farmers across Wisconsin have shared that one of the biggest hurdles to continuing and strengthening our agricultural legacy is expensive startup costs. A 2022 nationwide survey conducted by the National Young Farmers Coalition highlighted that the top challenge cited by young and aspiring farmers was finding affordable land to buy, with 59% citing this as very or extremely challenging. In the same survey, 41% of respondents said that finding access to capital was very or extremely challenging. At the same time, many farmers who are looking to retire rely on income from selling or leasing the farm to fund their retirement, and may not be able to afford to sell or lease their land at a discount to a beginning farmer.

To address these issues, LRB 5758 creates the *Farming Forward Program*. This program provides a 5% refundable tax credit to beginning and existing farmers for the sale or lease of agricultural assets, including farmland. The beginning farmer may also claim a credit equal to 5% of the amount they paid for improvements on agricultural assets consisting of land and facilities. This tax credit cannot exceed \$75,000 in a calendar year and, in the case of a lease, can be claimed for up to three years per asset.

The bill defines a beginning farmer as someone who has farmed less than 10 years and has a net worth of less than \$200,000. The tax credit would be available for the sale or lease of agricultural assets including land, machinery, equipment, facilities, or livestock.

Providing refundable tax credits to the farm asset owner – generally an established farmer that is renting or selling the land to a beginning farmer – creates an important incentive to sell or rent assets to beginning farmers at a more affordable price. Providing refundable tax credits to beginning farmers for assets or improvements ensures that they have the opportunity and capital needed to begin, maintain, and develop a farm.

These incentives will allow the *Farming Forward Program* to support and grow our state's family farms, and continue to ensure future generations of century farms.

LRB 5758 was modeled on a previous beginning farmer tax credit program in Wisconsin, as well as successful programs in Minnesota and Iowa. This bill was drafted in consultation with DATCP and DOR, and has the support of the Wisconsin Farm Bureau Federation, the Wisconsin Farmers Union, the Dairy Business Association, and the Wisconsin Agri-Business Association.

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**To be added as a co-sponsor of this bill, please reply to this email or contact Representative Jacobson at [rep.jacobson@legis.wisconsin.gov](mailto:rep.jacobson@legis.wisconsin.gov) or 608-237-9143 by 5:00pm on February 9. Cosponsors will be automatically added to both the Assembly and Senate companion bills unless otherwise requested.**

*Analysis by the Legislative Reference Bureau*

*This bill creates an income tax credit for a beginning farmer who leases or purchases agricultural assets from an asset owner and uses the assets for farming and for a person whose assets are leased or sold to a beginning farmer. Under the bill, a beginning farmer is a person who has a net worth of less than \$200,000 and who has farmed for fewer than 10 years. The bill defines "agricultural assets" as land assessed for property tax purposes as agricultural land or machinery, equipment, facilities, or livestock that is used in farming. The amount of the credit is equal to 5 percent of the lease amount or sales price paid by the beginning farmer to an asset owner for agricultural assets for the taxable year and 5 percent of the lease amount or sales price received by the asset owner from a beginning farmer for agricultural assets for the taxable year. The beginning farmer may also claim a credit equal to 5 percent of the amount the farmer paid for improvements on agricultural assets consisting of land and facilities. The maximum amount that a claimant may receive in any taxable year is \$75,000 and maximum amount of the credit for all claimants in any taxable year is \$5,000,000.*

*Under the bill, in order to claim the credit, both the beginning farmer and the asset owner must submit an application to the Department of Agriculture, Trade and Consumer Protection. The beginning farmer must submit a business plan with the beginning farmer's application and provide a description of the beginning*

*farmer's education, training, and experience in the type of farming in which the beginning farmer uses the leased or purchased agricultural assets.*

*For further information see the state fiscal estimate, which will be printed as an appendix to this bill.*



State of Wisconsin  
2023 - 2024 LEGISLATURE

LRB-5758/1  
JK:amn

## 2023 BILL

1     **AN ACT to amend** 71.05 (6) (a) 15., 71.10 (4) (i), 71.21 (4) (a), 71.26 (2) (a) 4., 71.30  
2           (3) (f), 71.34 (1k) (g), 71.45 (2) (a) 10. and 71.49 (1) (f); and **to create** 20.835 (2)  
3           (dp), 71.07 (8s), 71.28 (8s), 71.47 (8s) and 93.521 of the statutes; **relating to:**  
4           income tax credits for beginning farmers and owners of farm assets and making  
5           an appropriation.

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***Analysis by the Legislative Reference Bureau***

This bill creates an income tax credit for a beginning farmer who leases or purchases agricultural assets from an asset owner and uses the assets for farming and for a person whose assets are leased or sold to a beginning farmer. Under the bill, a beginning farmer is a person who has a net worth of less than \$200,000 and who has farmed for fewer than 10 years. The bill defines “agricultural assets” as land assessed for property tax purposes as agricultural land or machinery, equipment, facilities, or livestock that is used in farming. The amount of the credit is equal to 5 percent of the lease amount or sales price paid by the beginning farmer to an asset owner for agricultural assets for the taxable year and 5 percent of the lease amount or sales price received by the asset owner from a beginning farmer for agricultural assets for the taxable year. The beginning farmer may also claim a credit equal to 5 percent of the amount the farmer paid for improvements on agricultural assets consisting of land and facilities. The maximum amount that a claimant may receive in any taxable year is \$75,000 and maximum amount of the credit for all claimants in any taxable year is \$5,000,000.

**BILL**

Under the bill, in order to claim the credit, both the beginning farmer and the asset owner must submit an application to the Department of Agriculture, Trade and Consumer Protection. The beginning farmer must submit a business plan with the beginning farmer's application and provide a description of the beginning farmer's education, training, and experience in the type of farming in which the beginning farmer uses the leased or purchased agricultural assets.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 20.835 (2) (dp) of the statutes is created to read:

2           20.835 (2) (dp) *Beginning farmer and farm asset owner tax credit.* A sum  
3 sufficient to pay the claims approved under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s).

4           **SECTION 2.** 71.05 (6) (a) 15. of the statutes is amended to read:

5           71.05 (6) (a) 15. The amount of the credits computed under s. 71.07 (2dm),  
6 (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n), (5e), (5i), (5j),  
7 (5k), (5r), (5rm), (6n), (8s), and (10) and not passed through by a partnership, limited  
8 liability company, or tax-option corporation that has added that amount to the  
9 partnership's, company's, or tax-option corporation's income under s. 71.21 (4) or  
10 71.34 (1k) (g).

11           **SECTION 3.** 71.07 (8s) of the statutes is created to read:

12           71.07 (8s) BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.*

13           In this subsection:

14           1. "Agricultural assets" means agricultural land or machinery, equipment,  
15 facilities, or livestock that is used in farming.

16           2. "Agricultural land" has the meaning given in s. 70.32 (2) (c) 1g.

17           3. "Asset owner" means a person who meets the conditions specified in s. 93.521

18           (3).

**BILL**

1           4. “Beginning farmer” means a person who meets the conditions specified in s.  
2           93.521 (2).

3           5. “Claimant” means a beginning farmer who files a claim under this subsection  
4           or an asset owner who files a claim under this subsection, except that, for a beginning  
5           farmer, “claimant” means the following:

6           a. For partnerships, except publicly traded partnerships treated as  
7           corporations under s. 71.22 (1k), “claimant” means each separate partner.

8           b. For tax-option corporations, “claimant” means each separate shareholder.

9           c. For limited liability companies, except limited liability companies treated as  
10          corporations under s. 71.22 (1k), “claimant” means each separate member.

11          6. “Farming” has the meaning given in section 464 (e) of the Internal Revenue  
12          Code.

13          7. “Lease amount” is the amount of the cash payment paid by a beginning  
14          farmer to an asset owner each year for leasing the asset owner’s agricultural assets,  
15          including amounts paid under a lease agreement that results in the beginning  
16          farmer owning the agricultural assets.

17          (b) *Filing claims.* 1. Subject to the limitations provided in this subsection, for  
18          taxable years beginning after December 31, 2025, a beginning farmer may claim as  
19          a credit against the tax imposed under s. 71.02 an amount equal to 5 percent of the  
20          lease amount or sales price paid by the beginning farmer to an asset owner for the  
21          lease or purchase of agricultural assets for the taxable year to which the claim  
22          relates. The beginning farmer may also claim an amount equal to 5 percent of the  
23          amount the beginning farmer paid in the taxable year for improvements to  
24          agricultural assets consisting of land and facilities.

**BILL****SECTION 3**

1           2. Subject to the limitations provided in this subsection, for taxable years  
2 beginning after December 31, 2025, an asset owner may claim as a credit against the  
3 tax imposed under s. 71.02 an amount equal to 5 percent of the lease amount or sales  
4 price received by the asset owner from a beginning farmer for agricultural assets for  
5 the taxable year to which the claim relates.

6           (c) *Limitations.* 1. With regard to credit claimed on the basis of a lease amount,  
7 a claimant may only claim the credit under this subsection for the first 3 years of any  
8 lease of an asset owner's agricultural assets to a beginning farmer.

9           2. No credit may be allowed under this subsection unless it is claimed within  
10 the time period under s. 71.75 (2).

11           3. A claimant shall submit with the claimant's income tax return the certificate  
12 of eligibility provided under s. 93.521 (5) (b).

13           4. No credit may be claimed under this subsection by a part-year resident or  
14 a nonresident of this state.

15           5. The maximum credit that a claimant may claim under this subsection for any  
16 taxable year is \$75,000.

17           6. a. Partnerships, limited liability companies, and tax-option corporations  
18 may not claim the credit under this subsection, but the eligibility for, and the amount  
19 of, the credit are based on the amounts paid under par. (b). A partnership, limited  
20 liability company, or tax-option corporation shall compute the amount of credit that  
21 each of its partners, members, or shareholders may claim and shall provide that  
22 information to each of them.

23           b. In order to claim the credit computed under par. (b) 1., partners, members  
24 of limited liability companies, and shareholders of tax-option corporations shall



**BILL**

1 meet the requirements under s. 93.521 (2) and claim the credit in proportion to their  
2 ownership interests.

3 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), to the extent that it  
4 applies to the credit under that subsection, applies to the credit under this  
5 subsection.

6 2. If the allowable amount of the claim under this subsection exceeds the  
7 income taxes otherwise due on the claimant's income, the amount of the claim not  
8 used as an offset against those taxes shall be certified by the department of revenue  
9 to the department of administration for payment to the claimant by check, share  
10 draft, or other draft from the appropriation under s. 20.835 (2) (dp).

11 **SECTION 4.** 71.10 (4) (i) of the statutes is amended to read:

12 71.10 (4) (i) The total of claim of right credit under s. 71.07 (1), farmland  
13 preservation credit under ss. 71.57 to 71.61, farmland preservation credit, 2010 and  
14 beyond under s. 71.613, homestead credit under subch. VIII, jobs tax credit under s.  
15 71.07 (3q), business development credit under s. 71.07 (3y), research credit under s.  
16 71.07 (4k) (e) 2. a., veterans and surviving spouses property tax credit under s. 71.07  
17 (6e), enterprise zone jobs credit under s. 71.07 (3w), electronics and information  
18 technology manufacturing zone credit under s. 71.07 (3wm), beginning farmer and  
19 farm asset owner tax credit under s. 71.07 (8s), earned income tax credit under s.  
20 71.07 (9e), estimated tax payments under s. 71.09, and taxes withheld under subch.  
21 X.

22 **SECTION 5.** 71.21 (4) (a) of the statutes is amended to read:

23 71.21 (4) (a) The amount of the credits computed by a partnership under s.  
24 71.07 (2dm), (2dx), (2dy), (3g), (3h), (3n), (3q), (3s), (3t), (3w), (3wm), (3y), (4k), (4n),

**BILL****SECTION 5**

1 (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and passed through to partners  
2 shall be added to the partnership's income.

3 **SECTION 6.** 71.26 (2) (a) 4. of the statutes is amended to read:

4 71.26 **(2)** (a) 4. Plus the amount of the credit computed under s. 71.28 (1dm),  
5 (1dx), (1dy), (3g), (3h), (3n), (3q), (3t), (3w), (3wm), (3y), (5e), (5g), (5i), (5j), (5k), (5r),  
6 (5rm), (6n), (8s), and (10) and not passed through by a partnership, limited liability  
7 company, or tax-option corporation that has added that amount to the partnership's,  
8 limited liability company's, or tax-option corporation's income under s. 71.21 (4) or  
9 71.34 (1k) (g).

10 **SECTION 7.** 71.28 (8s) of the statutes is created to read:

11 71.28 **(8s)** BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.*

12 In this subsection:

13 1. "Agricultural assets" means agricultural land or machinery, equipment,  
14 facilities, or livestock that is used in farming.

15 2. "Agricultural land" has the meaning given in s. 70.32 (2) (c) 1g.

16 3. "Asset owner" means a person who meets the conditions specified in s. 93.521  
17 (3).

18 4. "Beginning farmer" means a person who meets the conditions specified in s.  
19 93.521 (2).

20 5. "Claimant" means a beginning farmer who files a claim under this subsection  
21 or an asset owner who files a claim under this subsection, except that, for a beginning  
22 farmer, "claimant" means the following:

23 a. For partnerships, except publicly traded partnerships treated as  
24 corporations under s. 71.22 (1k), "claimant" means each separate partner.

25 b. For tax-option corporations, "claimant" means each separate shareholder.

**BILL**

1 c. For limited liability companies, except limited liability companies treated as  
2 corporations under s. 71.22 (1k), “claimant” means each separate member.

3 6. “Farming” has the meaning given in section 464 (e) of the Internal Revenue  
4 Code.

5 7. “Lease amount” is the amount of the cash payment paid by a beginning  
6 farmer to an asset owner each year for leasing the asset owner’s agricultural assets,  
7 including amounts paid under a lease agreement that results in the beginning  
8 farmer owning the agricultural assets.

9 (b) *Filing claims.* 1. Subject to the limitations provided in this subsection, for  
10 taxable years beginning after December 31, 2025, a beginning farmer may claim as  
11 a credit against the tax imposed under s. 71.23 an amount equal to 5 percent of the  
12 lease amount or sales price paid by the beginning farmer to an asset owner for the  
13 lease or purchase of agricultural assets for the taxable year to which the claim  
14 relates. The beginning farmer may also claim an amount equal to 5 percent of the  
15 amount the beginning farmer paid in the taxable year for improvements to  
16 agricultural assets consisting of land and facilities.

17 2. Subject to the limitations provided in this subsection, for taxable years  
18 beginning after December 31, 2025, an asset owner may claim as a credit against the  
19 tax imposed under s. 71.23 an amount equal to 5 percent of the lease amount or sales  
20 price received by the asset owner from a beginning farmer for agricultural assets for  
21 the taxable year to which the claim relates.

22 (c) *Limitations.* 1. With regard to credit claimed on the basis of a lease amount,  
23 a claimant may only claim the credit under this subsection for the first 3 years of any  
24 lease of an asset owner’s agricultural assets to a beginning farmer.

**BILL****SECTION 7**

1           2. No credit may be allowed under this subsection unless it is claimed within  
2 the time period under s. 71.75 (2).

3           3. A claimant shall submit with the claimant's income tax return the certificate  
4 of eligibility provided under s. 93.521 (5) (b).

5           4. No credit may be claimed under this subsection by a part-year resident or  
6 a nonresident of this state.

7           5. The maximum credit that a claimant may claim under this subsection for any  
8 taxable year is \$75,000.

9           6. a. Partnerships, limited liability companies, and tax-option corporations  
10 may not claim the credit under this subsection, but the eligibility for, and the amount  
11 of, the credit are based on the amounts paid under par. (b). A partnership, limited  
12 liability company, or tax-option corporation shall compute the amount of credit that  
13 each of its partners, members, or shareholders may claim and shall provide that  
14 information to each of them.

15           b. In order to claim the credit computed under par. (b) 1., partners, members  
16 of limited liability companies, and shareholders of tax-option corporations shall  
17 meet the requirements under s. 93.521 (2) and claim the credit in proportion to their  
18 ownership interests.

19           (d) *Administration.* 1. Subsection (4) (e), (g), and (h), to the extent that it  
20 applies to the credit under that subsection, applies to the credit under this  
21 subsection.

22           2. If the allowable amount of the claim under this subsection exceeds the  
23 income taxes otherwise due on the claimant's income, the amount of the claim not  
24 used as an offset against those taxes shall be certified by the department of revenue

**BILL**

1 to the department of administration for payment to the claimant by check, share  
2 draft, or other draft from the appropriation under s. 20.835 (2) (dp).

3 **SECTION 8.** 71.30 (3) (f) of the statutes is amended to read:

4 71.30 (3) (f) The total of farmland preservation credit under subch. IX, jobs  
5 credit under s. 71.28 (3q), enterprise zone jobs credit under s. 71.28 (3w), electronics  
6 and information technology manufacturing zone credit under s. 71.28 (3wm),  
7 business development credit under s. 71.28 (3y), research credit under s. 71.28 (4) (k)  
8 1., beginning farmer and farm asset owner tax credit under s. 71.28 (8s), and  
9 estimated tax payments under s. 71.29.

10 **SECTION 9.** 71.34 (1k) (g) of the statutes is amended to read:

11 71.34 (1k) (g) An addition shall be made for credits computed by a tax-option  
12 corporation under s. 71.28 (1dm), (1dx), (1dy), (3), (3g), (3h), (3n), (3q), (3t), (3w),  
13 (3wm), (3y), (4), (5), (5e), (5g), (5i), (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and passed  
14 through to shareholders.

15 **SECTION 10.** 71.45 (2) (a) 10. of the statutes is amended to read:

16 71.45 (2) (a) 10. By adding to federal taxable income the amount of credit  
17 computed under s. 71.47 (1dm) to (1dy), (3g), (3h), (3n), (3q), (3w), (3y), (5e), (5g), (5i),  
18 (5j), (5k), (5r), (5rm), (6n), (8s), and (10) and not passed through by a partnership,  
19 limited liability company, or tax-option corporation that has added that amount to  
20 the partnership's, limited liability company's, or tax-option corporation's income  
21 under s. 71.21 (4) or 71.34 (1k) (g) and the amount of credit computed under s. 71.47  
22 (3), (3t), (4), (4m), and (5).

23 **SECTION 11.** 71.47 (8s) of the statutes is created to read:

24 71.47 (8s) BEGINNING FARMER AND FARM ASSET OWNER TAX CREDIT. (a) *Definitions.*

25 In this subsection:

**BILL****SECTION 11**

1           1. “Agricultural assets” means agricultural land or machinery, equipment,  
2 facilities, or livestock that is used in farming.

3           2. “Agricultural land” has the meaning given in s. 70.32 (2) (c) 1g.

4           3. “Asset owner” means a person who meets the conditions specified in s. 93.521  
5 (3).

6           4. “Beginning farmer” means a person who meets the conditions specified in s.  
7 93.521 (2).

8           5. “Claimant” means a beginning farmer who files a claim under this subsection  
9 or an asset owner who files a claim under this subsection, except that, for a beginning  
10 farmer, “claimant” means the following:

11           a. For partnerships, except publicly traded partnerships treated as  
12 corporations under s. 71.22 (1k), “claimant” means each separate partner.

13           b. For tax-option corporations, “claimant” means each separate shareholder.

14           c. For limited liability companies, except limited liability companies treated as  
15 corporations under s. 71.22 (1k), “claimant” means each separate member.

16           6. “Farming” has the meaning given in section 464 (e) of the Internal Revenue  
17 Code.

18           7. “Lease amount” is the amount of the cash payment paid by a beginning  
19 farmer to an asset owner each year for leasing the asset owner’s agricultural assets,  
20 including amounts paid under a lease agreement that results in the beginning  
21 farmer owning the agricultural assets.

22           (b) *Filing claims.* 1. Subject to the limitations provided in this subsection, for  
23 taxable years beginning after December 31, 2025, a beginning farmer may claim as  
24 a credit against the tax imposed under s. 71.43 an amount equal to 5 percent of the  
25 lease amount or sales price paid by the beginning farmer to an asset owner for the

**BILL**

1 lease or purchase of agricultural assets for the taxable year to which the claim  
2 relates. The beginning farmer may also claim an amount equal to 5 percent of the  
3 amount the beginning farmer paid in the taxable year for improvements to  
4 agricultural assets consisting of land and facilities.

5 2. Subject to the limitations provided in this subsection, for taxable years  
6 beginning after December 31, 2025, an asset owner may claim as a credit against the  
7 tax imposed under s. 71.43 an amount equal to 5 percent of the lease amount or sales  
8 price received by the asset owner from a beginning farmer for agricultural assets for  
9 the taxable year to which the claim relates.

10 (c) *Limitations.* 1. With regard to credit claimed on the basis of a lease amount,  
11 a claimant may only claim the credit under this subsection for the first 3 years of any  
12 lease of an asset owner's agricultural assets to a beginning farmer.

13 2. No credit may be allowed under this subsection unless it is claimed within  
14 the time period under s. 71.75 (2).

15 3. A claimant shall submit with the claimant's income tax return the certificate  
16 of eligibility provided under s. 93.521 (5) (b).

17 4. No credit may be claimed under this subsection by a part-year resident or  
18 a nonresident of this state.

19 5. The maximum credit that a claimant may claim under this subsection for any  
20 taxable year is \$75,000.

21 6. a. Partnerships, limited liability companies, and tax-option corporations  
22 may not claim the credit under this subsection, but the eligibility for, and the amount  
23 of, the credit are based on the amounts paid under par. (b). A partnership, limited  
24 liability company, or tax-option corporation shall compute the amount of credit that

**BILL****SECTION 11**

1 each of its partners, members, or shareholders may claim and shall provide that  
2 information to each of them.

3 b. In order to claim the credit computed under par. (b) 1., partners, members  
4 of limited liability companies, and shareholders of tax-option corporations shall  
5 meet the requirements under s. 93.521 (2) and claim the credit in proportion to their  
6 ownership interests.

7 (d) *Administration.* 1. Section 71.28 (4) (e), (g), and (h), to the extent that it  
8 applies to the credit under that subsection, applies to the credit under this  
9 subsection.

10 2. If the allowable amount of the claim under this subsection exceeds the  
11 income taxes otherwise due on the claimant's income, the amount of the claim not  
12 used as an offset against those taxes shall be certified by the department of revenue  
13 to the department of administration for payment to the claimant by check, share  
14 draft, or other draft from the appropriation under s. 20.835 (2) (dp).

15 **SECTION 12.** 71.49 (1) (f) of the statutes is amended to read:

16 71.49 (1) (f) The total of farmland preservation credit under subch. IX, jobs  
17 credit under s. 71.47 (3q), enterprise zone jobs credit under s. 71.47 (3w), business  
18 development credit under s. 71.47 (3y), research credit under s. 71.47 (4) (k) 1.,  
19 beginning farmer and farm asset owner tax credit under s. 71.47 (8s), and estimated  
20 tax payments under s. 71.48.

21 **SECTION 13.** 93.521 of the statutes is created to read:

22 **93.521 Beginning farmer and farm asset owner tax credit eligibility.**

23 (1) DEFINITIONS. In this section:

24 (a) "Agricultural assets" means agricultural land or machinery, equipment,  
25 facilities, or livestock that is used in farming.



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- 1 (b) “Agricultural land” has the meaning given in s. 70.32 (2) (c) 1g.
- 2 (c) “Asset owner” means a person who meets the conditions specified in sub. (3).
- 3 (d) “Beginning farmer” means a person who meets the conditions specified in  
4 sub. (2).
- 5 (e) “Claimant” has the meaning given in ss. 71.07 (8s) (a) 5., 71.28 (8s) (a) 5.,  
6 and 71.47 (8s) (a) 5.
- 7 (f) “Farming” has the meaning given in section 464 (e) of the Internal Revenue  
8 Code.
- 9 **(2) BEGINNING FARMER.** A person is a beginning farmer for the purposes of s.  
10 71.07 (8s), 71.28 (8s), or 71.47 (8s) if, at the time that the person submits an  
11 application under sub. (4), all of the following apply:
- 12 (a) The person is not a part-year resident or a nonresident of this state.
- 13 (b) The person has a net worth of less than \$200,000.
- 14 (c) The person has farmed for fewer than 10 years at the date on which the  
15 person submits an application under sub. (4).
- 16 (d) The person has entered into a lease or sales transaction with an asset owner,  
17 directly or indirectly through ownership interest in a partnership, limited liability  
18 company, or tax-option corporation, for the use or purchase of the asset owner’s  
19 agricultural assets by the beginning farmer.
- 20 (e) The person uses the leased or purchased agricultural assets for farming.
- 21 **(3) ASSET OWNER.** A person is an asset owner for the purposes of s. 71.07 (8s),  
22 71.28 (8s), or 71.47 (8s) if, at the time that the person submits an application under  
23 sub. (4), all of the following apply:
- 24 (a) The person owns agricultural assets.

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1 (b) The person has entered into a lease or sales transaction with a beginning  
2 farmer for the use or purchase of the person's agricultural assets by the beginning  
3 farmer.

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

8 (b) An asset owner shall include in the application under this subsection the  
9 asset owner's name and address, information showing that the asset owner satisfies  
10 the conditions specified in sub. (3), a description of the leased or purchased  
11 agricultural assets and their location, a copy of the lease or sales transaction, the  
12 number of acres of agricultural land leased or sold to the beginning farmer, and any  
13 other information required by the department.

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

16 1. The beginning farmer's name and address.

17 2. Information showing that the beginning farmer satisfies the conditions  
18 specified in sub. (2).

19 3. A business plan that includes a current balance sheet and projected balance  
20 sheets for the lease term or sales transaction, cash flow statements, and income  
21 statements along with a detailed description of all significant accounting  
22 assumptions used in developing the financial projections.

23 4. A description of the beginning farmer's education, training, and experience  
24 in the type of farming in which the beginning farmer uses the leased or purchased  
25 agricultural assets.

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1           5. A copy of the beginning farmer's completed federal profit or loss from farming  
2 form, schedule F, or other documentation approved by the department under sub. (6).

3           6. Any other information required by the department.

4           **(5) EVALUATION AND CERTIFICATION.** (a) The department shall review  
5 applications submitted under sub. (4) (a), and make its certification determinations,  
6 in the order in which the applications are received.

7           (b) The department shall provide the beginning farmer claimant and the asset  
8 owner with a certificate of eligibility for the tax credit under s. 71.07 (8s), 71.28 (8s),  
9 or 71.47 (8s), and allocate the amount of the credit for each such applicant, if all of  
10 the following apply:

11           1. The asset owner's application complies with sub. (4) (b).

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

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

18           4. The department verifies all expenses included with the asset owner's  
19 application under sub. (4) (b) and the beginning farmer's application under sub. (4)  
20 (c).

21           (c) The department shall certify a beginning farmer's eligibility for the tax  
22 credit under s. 71.07 (8s), 71.28 (8s), or 71.47 (8s) no later than January 1 of the year  
23 following the taxable year for which the claim relates.

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1 (d) The maximum amount of the credits that the department may certify to all  
2 persons claiming the credits under ss. 71.07 (8s), 71.28 (8s), and 71.47 (8s) in a  
3 taxable year is \$5,000,000.

4 **(6) DEPARTMENT AUTHORITY.** (a) The department may approve alternative  
5 documentation for the purposes of sub. (4) (c) 5.

6 (b) The department may assist beginning farmers to develop business plans for  
7 the purposes of sub. (4) (c) 3. and may assist in the negotiation of leases or purchases  
8 of farm assets that may enable persons to qualify for tax credits under s. 71.07 (8s),  
9 71.28 (8s), or 71.47 (8s).

10 (c) The department may, at the request of the beginning farmer, review any  
11 proposal by a beginning farmer to make improvements to agricultural assets  
12 consisting of land or facilities for purposes of claiming the additional credit under s.  
13 71.07 (8s), 71.28 (8s), or 71.47 (8s).

14 **(7) REPORTS.** Annually, beginning in 2027, the department shall submit a  
15 report to the legislature, as provided under s. 13.172 (2), specifying the number of the  
16 persons submitting applications under this section, the type of farming the  
17 applicants are engaged in, the number of certificates of eligibility issued to the  
18 applicants, and the amount of the credits awarded to each applicant.

19 (END)