

# Instructions for 2023 Schedule FC-A

## General Instructions

### Which Schedule to File

A 2023 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 an original or modified farmland preservation agreement entered into on or after July 1, 2009 (see notes 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” below).

### Other Filing Requirements

You will need to provide the 7-digit identification number(s) located on your certificate(s) of compliance issued by your county in order to claim the farmland preservation credit using Schedule FC-A. For more information contact DATCP at (608) 224-4621, (608) 224-4611 or [DATCPWorkingLands@wisconsin.gov](mailto:DATCPWorkingLands@wisconsin.gov).

### Notes

- 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.
- An agreement entered into prior to July 1, 2009, may be modified in order to file your farmland preservation credit claim using Schedule FC-A. For more information, contact DATCP at (608) 224-4621, (608) 224-4611 or [DATCPWorkingLands@wisconsin.gov](mailto:DATCPWorkingLands@wisconsin.gov).

**File Schedule FC** if 1) you are subject to a farmland preservation agreement entered into prior to July 1, 2009 (see notes 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).

### Who May Claim the Credit

A claimant must be the “owner” of a farm (see definition later in these instructions) and may be any of the following:

- *Individuals* – Individuals, partners in partnerships, members of limited liability companies (LLCs) treated as partnerships, shareholders of tax-option (S) corporations, and grantors of revocable trusts may claim the credit on their individual income tax returns. (See “Corporations” for information regarding publicly traded partnerships and LLCs treated as corporations.)

If two or more members of a household (an individual, their spouse if married, and dependents while under age 18) qualify (for example, where spouses are filing separate returns), they must determine between themselves whether:

1. Each qualifying member of the household will file a claim based on their individual share of ownership of the farm, or
2. One designated member of the household will file a claim based on the entire household’s share of ownership of the farm.

If they are unable to agree, the matter may be referred to the Secretary of Revenue, whose decision will be final.

- *Corporations* – Corporations other than tax-option (S) corporations (see “Individuals”) may claim the credit on their corporation franchise or income tax returns. This includes publicly traded partnerships and limited liability companies (LLCs) treated as corporations under the Wisconsin Statutes.
- *Trusts and Estates* – Trustees of qualifying trusts and personal representatives of estates may claim the credit on the trust or estate return. (For exceptions, see definition of “Owner” later in these instructions.)

### Who May Qualify

To qualify for the farmland preservation credit, you must meet all of the following conditions:

1. You or any member of your household must have been the “owner” of the farm (see definitions later in these instructions) for which the credit is being claimed, at the end of the taxable year.
2. You must have been a resident of Wisconsin for the entire taxable year. The taxable year may be either calendar year 2023 or a fiscal year beginning in 2023, but it must be for the same period covered by your 2023 income tax return.

A corporation must have been organized under the laws of Wisconsin.

3. You and your spouse did not claim the homestead credit or the veterans and surviving spouses property tax credit for 2023.
4. You must have paid to or be legally responsible for paying to the taxing authority the 2023 property taxes levied against the “qualifying acres” (see definition later in these instructions) to which the claim relates.
-  5. At the end of the taxable year to which the claim relates, your farm must be located in a “farmland preservation zoning district” (see definition later in these instructions), must be wholly or partially covered by an agricultural conservation easement purchased under sec. 93.73, Wis. Stats., except that if the farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by the agricultural conservation easement and located in a farmland preservation area, as defined in sec. 91.01 (16), Wis. Stats., or must be wholly or partially covered by an original or modified farmland preservation agreement entered into after July 1, 2009.
6. Your farm must have produced at least \$6,000 of “gross farm revenues” (see definition later in these instructions) during the taxable year to which the claim relates or at least a total of \$18,000 in gross farm revenues during the taxable year to which the claim relates and the 2 immediately preceding taxable years. If you rent out your farm, the renter’s gross farm revenues are used to satisfy this requirement.
7. As of the end of the taxable year to which the claim relates, there must not have been an outstanding notice of noncompliance with a soil and water conservation plan or standards issued against your farm.

To determine if your farm is in compliance, contact the County Land Conservation Committee.

**Note** A claim may be based on the qualifying acres of more than one farm. Each farm to which the claim relates must meet qualifications 5, 6, and 7 above.

### When to File

A 2023 farmland preservation credit claim must be filed no later than 4 years after the unextended due date of your 2023 tax return. For calendar year filers, the 2023 Schedule FC-A must be filed by April 15, 2028.

### How and Where to File

Schedule FC-A should be included immediately behind the 2023 Wisconsin income or franchise tax return when it is filed. Your tax return and Schedule FC-A should be mailed to the address shown on the tax return.

Because of the way farmland preservation credit claims are processed, please use BLACK INK to complete Schedule FC-A.

Schedule FC-A has preprinted zeros in the “cents” area of the entry lines. Amounts filled in on those lines should be rounded to the nearest dollar. If completing Schedule FC-A by hand, do not use commas or dollar signs in any of the amounts that are filled in. For more tips, see page 5 of the instructions for Wisconsin Form 1.

Your farmland preservation credit will decrease any tax due or increase any tax refund. Only one refund check will be mailed for the combined farmland preservation credit and tax refund.

If you previously filed your 2023 Wisconsin tax return and now wish to file Schedule FC-A, complete an amended tax return and include Schedule FC-A. You can electronically file an amended return through an approved software vendor that supports amended returns. Otherwise, mail the amended return to the address shown on the tax return.

If an individual is not required to file a 2023 Wisconsin tax return but wishes to claim a farmland preservation credit, they should include Schedule FC-A and a schedule listing all sources and amounts of income with a Form 1, on which they fill in only the name and address area, and the amount of credit on line 30b. The farmland preservation credit claim should be mailed to Wisconsin Department of Revenue, PO Box 59, Madison WI 53785-0001.

### Electronic Filing

If you file Schedule FC-A electronically, and are unable to include the required enclosures (see “Enclosures Required” later in these instructions) electronically, mail all of the required Schedule FC-A enclosures with a completed Form W-RA,

*Required Attachments for Electronic Filing*, to Wisconsin Department of Revenue, PO Box 8977, Madison WI 53708-8977.

**Note** Wisconsin e-file is no longer available for Schedule FC-A. However, you will still be able to electronically file Schedule FC-A using modernized e-file.

## Additional Help

To obtain more information about farmland preservation credit or help in preparing Schedule FC-A, or for a copy of Wisconsin Publication 503, *Wisconsin Farmland Preservation Credit*, you may contact any Department of Revenue office. The location and telephone number of the office nearest you is listed on the department's website at [DOR Office Locations](#). You may also email a question to [DORFarmlandPreservationCredit@wisconsin.gov](mailto:DORFarmlandPreservationCredit@wisconsin.gov), or phone (608) 266-2442 (Madison).

## Definitions

**Farm** "Farm" means all land under common ownership that is primarily devoted to agricultural use.

**Example:** You and Individual C own a 40 acre parcel in County A and a 60 acre parcel in County B. All 100 acres are primarily devoted to agricultural use. The two parcels are considered one farm.

**Example:** You own a 100 acre parcel with Individual D and an adjacent 80 acre parcel with Individual E. All 180 acres are primarily devoted to agricultural use. The two parcels are considered two separate farms.

**Farmland preservation zoning district** "Farmland preservation zoning district" means an area designated in a certified exclusive agricultural use zoning or farmland preservation zoning ordinance.

To determine the number of acres of a farm designated in a farmland preservation zoning district, contact the appropriate zoning authority.

**Gross farm revenues** "Gross farm revenues" means gross receipts from agricultural use of a farm, excluding rent receipts, less the cost or other basis of livestock or other agricultural items purchased for resale which are sold or otherwise disposed of during the taxable year.

If you rent out your farm, gross farm revenues are those of your renter, produced from your farm. The renter's name and address should be filled in on question 6 of Schedule FC-A. If you are unsure whether the required gross farm revenues were produced from the farm you rented out, contact your renter to obtain this information.

**Household** "Household" means an individual, their spouse if married, and all dependents while they are under age 18. When dependent children reach age 18, they are no longer considered members of your household for purposes of determining a farmland preservation credit.

**Owner** "Owner" means a resident of Wisconsin owning land and includes an individual, a corporation incorporated in Wisconsin (including a publicly traded partnership or limited liability company (LLC) treated as a corporation), a grantor of a revocable trust, a qualifying trust, an estate, each member of a partnership or association having a joint or common interest in land, each member of an LLC that is treated as a partnership, each shareholder of a tax-option (S) corporation, a vendee under a land contract, and a guardian on behalf of a ward.

"Owner" does **not** include a trust created by a nonresident, a trust that receives Wisconsin real property from a nonresident, a trust in which a nonresident grantor retains a beneficial interest, or the estate of an individual who is a nonresident on the date of death.

When a farm is subject to a life estate, the person who has an ownership interest and is operating or renting out the farmland and paying or legally responsible for paying the property taxes is the owner who may claim the credit.

**Qualifying acres** "Qualifying acres" means the number of acres of a farm that 1) correlate to a claimant's ownership percentage and 2) are located in a farmland preservation zoning district or covered by a farmland preservation agreement.

**Example:** You own 75% of a 100 acre farm. 80 of the 100 acres are in a farmland preservation zoning district. You have 60 (80 x 75%) qualifying acres.

## Receipt of Credit is Income

You must include the total amount of any farmland preservation credit from Schedule FC-A received in your taxable year that began in 2023 as income on your 2023 Wisconsin tax return.

## Filing Incorrect Claims

If you recklessly or fraudulently claim an incorrect farmland preservation credit, you will be ineligible to claim any refundable credit for up to 10 years. Penalties may also apply.

## Specific Instructions

### Lines 1 Through 6. Questions

Read and answer questions 1 through 6 carefully. All the requested information must be furnished. If you answer “no” to question 1, 4, or 5, you do not qualify. Do not complete the rest of Schedule FC-A.

If you answer “no” to question 3, contact the County Land Conservation Committee for additional information on how to obtain a certificate of compliance.

**Question 1a:** “Individuals” include trustees of qualifying trusts and personal representatives of estates claiming the credit on the trust or estate return.

### Lines 7, 9, and 11. Credit Computation

To determine the number of qualifying acres to fill in on lines 7, 9, and 11, complete the schedule on page 2 of Schedule FC-A. If your claim is based on more than one farm, complete a separate schedule (page 3 of Schedule FC-A) for each farm. Fill in the amounts from line 5 of the schedule on page 2 on lines 7, 9, and 11 of Schedule FC-A, as appropriate.

### Line 13. Farmland Preservation Credit

Fill in the credit from line 13 on the proper line of your Wisconsin tax return, as indicated on Schedule FC-A.

### Qualifying Acres Schedule

**Step 1:** Enter the 7-digit identification number from your certificate of compliance for each county in which the farm is located. If the farm is located in more than 4 counties, complete a separate Qualifying Acres Schedule(s) to include the additional certificate of compliance identification number(s) with the corresponding parcel number(s) and acres. Do NOT include more than one farm per Qualifying Acres Schedule.

### Enclosures Required

Include **all** of the following items that pertain to each farm on which your claim is based:

- Certification issued by the County Land Conservation Committee of compliance with soil and water standards. (**Exception:** This enclosure is not required if 1) you submitted a certificate of compliance with a previous year’s claim and 2) the farm’s acreage has not since changed.)
- Complete, legible copies of your 2023 property tax bills or computer printouts signed by the county or municipal treasurer. The property tax bills or computer printouts must show all of the following information: the year; the owner’s name; the parcel numbers and legal description of the property; the acreage; the assessed value of land and improvements; any special assessments; property taxes before and after state aids and credits, including lottery and gaming credit, if applicable; and a space for indicating whether there are unpaid property taxes for prior years.
- An executed original or modified farmland preservation agreement (copy, not original).
- A copy of the easement for claims based on qualifying acres covered under an agricultural conservation easement purchased under sec. 93.73, Wis. Stats.
- If the parcel numbers for the qualifying acreage have changed, include an explanation to reconcile the difference.
- If a different numbering system is used to identify parcels on the agreement and the property tax bills, include an explanation to reconcile the difference.
- Closing statement signed by both the buyer and the seller, and the deed or land contract relating to the purchase or sale, if the farm on which the claim is based was purchased or sold during the claim year (copies, not originals). The closing statement must show the legal description or parcel numbers of the property purchased or sold.
- Document to verify your percentage of ownership.

If there are names on the property tax bills other than yours and your spouse’s and 1) you did not verify your ownership percentage with a previous year’s claim or 2) your ownership percentage has changed since 2022, include a copy (not the original) of the appropriate document listed below, to verify your (or your household’s) ownership percentage. Documents that you may submit to verify your ownership include:

- a. A deed to verify your ownership percentage in co-owned property; your acquisition by a method other than purchase, such as by gift, repossession, etc.; or a life estate.
- b. A Wisconsin Schedule 3K-1 to verify your percentage of ownership of capital if you are a partner in a partnership (a partner's ownership percentage in farmland owned by the partnership is based on capital ownership percentage, not profit or loss percentage).
- c. A Wisconsin Schedule 5K-1 to verify your percentage of stock ownership if you are a tax-option (S) corporation shareholder.
- d. A land contract if you are a vendee purchasing property.
- e. A divorce judgment, including the final stipulation, if you acquired full or partial ownership through a divorce.
- f. A final judgment in an estate if you inherited property.
- g. A certification of termination of joint tenancy if a joint tenant (or spouse) has died.
- h. A trust instrument if you are the trustee of a trust claiming the credit, the grantor of a revocable trust, or a grantor with a life estate.

### **How to Assemble**

Assemble (DO NOT STAPLE, use paper clips) your Wisconsin franchise or income tax return and farmland preservation credit claim in the following order:

- Wisconsin income or franchise tax form (Form 1, 1NPR, 2, 4, 4T, or 6)
- Schedule FC-A
- 2023 property tax bills
- Other required enclosures (see "Enclosures Required" earlier in these instructions)
- Any additional farmland preservation credit information
- Other Wisconsin schedules and forms
- Federal tax form (Form 1040, 1040-SR, 1041, or 1120)

#### **Applicable Laws and Rules**

This document provides statements or interpretations of the following laws and regulations enacted as of December 7, 2023: subch. IX of ch. 71, Wis. Stats.