

Farmland Preservation Program Fact Sheet: Conservation Compliance Requirements 2010 and Beyond

For farmers in an agricultural zoning district who continuously claim FPP credits from tax year 2009 forward

- To claim future tax credits, your farm must comply with state agricultural performance standards established in NR 151 and incorporated into ATCP 50 as of January 1, 2010. These requirements should be familiar since they were part of the county standards previously applied to your farm. You do not need to meet new standards adopted as part of NR 151 unless they are incorporated into ATCP 50.
- To maintain eligibility for your tax credit, you are not required to meet supplemental local standards in addition to the state agriculture performance standards. However, counties may enforce a gully erosion requirement through the state nutrient management standard. Also the farmland preservation law does not prohibit counties from adopting and enforcing supplementary standards through separate requirements.
- You must comply with state agricultural performance standards on your entire farm, not just the acres for which you are claiming a tax credit. You must comply even if you are not provided cost-sharing for needed conservation practices, but you may be eligible to receive cost-sharing and technical assistance as agency resources allow.
- If you are not meeting certain conservation standards, you may continue to claim a tax credit as long as you:
 - Certify to the county that you have or will develop a schedule of compliance to meet state conservation standards by a deadline established by your county (which cannot extend beyond December 31, 2015).
 - Are working toward compliance in keeping with your schedule of compliance through a conservation plan or other method acceptable to your county land conservation department.¹
 - Ultimately comply with all standards before the deadline set by your county (in no case, will you be allowed to a schedule of compliance to claim a tax credit after December 31, 2015)
- Each year you claim a credit, you must certify to the Department of Revenue, on your tax claim forms, that you are in compliance (requirement first applies to claims filed in 2011 for the 2010 tax year).
- If you skip a year in filing a claim for FPP tax credits, you will need to file a certificate of compliance with your tax return if you intend to resume claiming tax credits. Your county will issue the certificate only if you have achieved compliance with the standards on your farm, even if you are not claiming credits for all of the acres on your farm.
- Your county is required to monitor whether your farm (which includes the acres for which you are claiming a credit) meets state conservation standards. Counties will develop their own procedures and schedules for monitoring, but they must inspect your farm at least once every four years.
- Your county may suspend your eligibility for tax credits if you are found out of compliance with state performance standards. Before issuing a notice of non-compliance, suspending your eligibility for tax credits, your county will use its best judgment to evaluate options for you to come into compliance, and will look at all of the surrounding circumstances in reaching its decision.

¹ A schedule of compliance does not insulate a landowner from other enforcement actions or legal claims.

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For farmers treated as new participants including those (1) in an agricultural zoning district who do not claim a tax credit in tax year 2009 or later skip a year in filing a claim, or (2) with new FFP agreement in newly designated Agriculture Enterprise Areas

- To claim future tax credits, your farm must comply with state agricultural performance standards established in NR 151 and incorporated into ATCP 50 as of January 1, 2010. These requirements should be familiar since they were part of the county standards previously applied to your farm. You do not need to meet new standards adopted as part of NR 151 unless they are incorporated into ATCP 50.
- To maintain eligibility for your tax credit, you are not required to meet supplemental local standards in addition to the state agriculture performance standards. However, counties may enforce a gully erosion requirement through the state nutrient management standard. Also the farmland preservation law does not prohibit counties from adopting and enforcing supplementary standards through separate requirements.
- You must comply with state agricultural performance standards on your entire farm, not just the acres for which you are claiming a tax credit. You must comply even if you are not provided cost-sharing for needed conservation practices, but you may be eligible to receive cost-sharing and technical assistance as agency resources allow.
- The first year you claim a credit, your tax return must include a certificate of compliance with state performance standards issued by your county. Your county will issue the certificate only if you have achieved compliance with the standards on your farm, even if you are not claiming credits for all of the acres on your farm. You must be actually in compliance, and cannot be treated as in compliance based on commitment to enter into a schedule of compliance.
- Each year you claim a credit, you must certify to the Department of Revenue, on your tax claim forms, that you are in compliance (requirement first applies to claims filed in 2011 for the 2010 tax year).
- Your county is required to monitor whether your farm (which includes the acres for which you are claiming a credit) meets state conservation standards. Counties will develop their own procedures and schedules for monitoring, but they must inspect your farm at least once every four years.
- Your county may suspend your eligibility for tax credits if you are found out of compliance with state performance standards. Before issuing a notice of non-compliance, suspending your eligibility for tax credits, your county will use its best judgment to evaluate options for you to come into compliance, and will look at all of the surrounding circumstances in reaching its decision.

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For farmers with farmland preservation agreements signed prior to July 1, 2009

- If you are claiming tax credits under a farmland preservation agreement signed prior to July 1, 2009, you must comply with conservation compliance standards included in your agreement. You do have to meet conservation standards not listed in your agreement.
- To claim the higher credit of five dollar per acre, you may amend your existing agreement only if the acres covered by the agreement are “part of farm” that is in compliance with full set of state agriculture performance standards incorporated into ATCP 50 at the time the agreement is amended. The following requirements also apply:
 - The first year you claim a credit at the higher tax rate, you must include with your tax return a certificate of compliance with state performance standards issued by your county.
 - Your county will issue the certificate only if you have achieved compliance with the state standards on your farm, even if you are not claiming credits for all of the acres on your farm.
 - You must be actually in compliance, and cannot be treated as in compliance based on commitment to enter into a schedule of compliance.
- Each year you claim a credit, you must certify to the Department of Revenue, on your tax claim forms, that you are in compliance (requirement first applies to claims filed in 2011 for the 2010 tax year).
- You may claim a tax credit under your agreement until the agreement expires. You cannot sign a new agreement after its expiration unless your farm is located in an agricultural enterprise area. However, you may continue to collect a credit if your farm is located in an exclusive agricultural zoning district. In either case, you will need to comply with all of the performance standards incorporated into ATCP 50.
- Your county is required to monitor whether your farm (which includes the acres for which you are claiming a credit) meets state conservation standards. Counties will develop their own procedures and schedules for monitoring, but they must inspect your farm at least once every four years.
- Your county may suspend your eligibility for tax credits if you are found out of compliance with state performance standards. Before issuing a notice of non-compliance, suspending your eligibility for tax credits, your county will use its best judgment to evaluate options for you to come into compliance, and will look at all of the surrounding circumstances in reaching its decision.