

## Tax exemptions

Most property tax exemptions are offered by a local option of the taxing jurisdiction (municipality, county, or school district). Check with your assessor to determine what exemptions are available in your community. The following exemptions are available for farmers:

### Agricultural assessment

Agricultural land owners may be eligible for an *agricultural assessment* to provide property tax relief to them. For more information, see Form RP-305, *Agricultural Assessment Application*.

### Farm building exemption

New farm buildings—New York’s Real Property Tax Law provides a 10-year property tax exemption for new or reconstructed agricultural structures. The application must be made within one year after the completion of construction work.

For more information, visit our website at [www.tax.ny.gov](http://www.tax.ny.gov) (search: *Farm Building Exemption*).

### Historic barns exemption

A limited tax exemption is available for increases in the assessed valuation on historic barns. Eligibility is determined by the local assessor or board of assessors with whom the application is filed.

For more information, see Publication 1094, *Farm Building Exemptions, Questions & Answers*.

### Sales tax exemptions for farmers and commercial horse boarding operators

Farmers and commercial horse boarding operators can buy certain items and services without paying state and local sales or use taxes. To make qualifying purchases without paying sales tax, complete Form ST-125, *Farmer’s and Commercial Horse Boarding Operator’s Exemption Certificate*.

For more information, see Tax Bulletin, TB-ST-244, *Exemptions for Farmers and Commercial Horse Boarding Operators*.

## Tax modifications

You may be eligible to subtract 15% of net farm income included in federal adjusted gross income if you are a farmer or farm business with less than \$250,000 in net farm income.

For more information see the instructions for Form IT-225, *New York State Modifications*.

## General definition of a farmer

You are engaged in the business of farming if you cultivate, operate, or manage a farm for gain or profit, even though the operation may not produce a profit every year. You may also be a farmer if you are also engaged in the business of farming if you rent your farm property to another person.

### For more information

Visit the department website at [www.tax.ny.gov](http://www.tax.ny.gov) and search:

- *farmers*
- *business incentives*
- *tax credit*

### Language access

To increase your access to information, we’ve translated vital documents on our website into Spanish, Chinese, Russian, Bengali, Korean, and Haitian Creole (search: *language*).

### Register to vote

Sign up online or download and mail your application. To learn more, visit: <https://ny.gov/services/register-vote>.

### Online Financial Education Program

We’ve launched a new Financial Education Program for all New Yorkers. The online curriculum is broken into seven modules, covering a range of topics—from tax credits to free tax filing options and predatory tax preparers. It includes many tools and resources to help you understand the benefits available to you as a taxpayer in New York.

Access the Financial Education Program from our website: [www.tax.ny.gov](http://www.tax.ny.gov) (search: *financial education*).

# TAX BASICS

## Farmers



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CO-300 (12/22)

Agricultural and farming tax  
credits and incentives



Department of  
Taxation and Finance

## Are you a farmer?

Are you in the farming and agriculture industry? As a farmer, you may qualify for certain tax incentives!

These valuable tax credits and other money-saving incentives are for farming operations of all sizes. They provide farmers with additional resources to reinvest in their businesses for improvements and expansion, which strengthens the industry and promotes job security and growth.

## Farm and agricultural credits

### Farmers school tax credit

You may be eligible for this credit if you or your business:

- engaged in the business of farming; and
- paid school district property taxes on qualified agricultural property.

For more information, see Forms IT-217, *Claim for Farmers' School Tax Credit*, and CT-47, *Claim for Farmers' School Tax Credit*.

### Farm workforce retention credit

You may be eligible for this credit of \$1,200 per eligible farm employee if you are an eligible farmer whose federal gross income from farming for the tax year is at least two-thirds of excess federal gross income.

Farming includes the operation or management of livestock, dairy, poultry, fish, fruit, fur-bearing animal, and vegetable (commonly referred to as truck) farms. Farming also includes the operation or management of plantations, ranches, ranges, and orchards.

For more information, see TSB-M-16(7)C, (5)I, *Farm Workforce Retention Credit*, and Forms IT-647 and CT-647, *Farm Workforce Retention Credit*.

### Farm donations to food pantries credit

You may be able to claim this credit if:

- you are an eligible farmer, and
- you made a qualified donation or are the owner of a business entity that made a qualified donation to an eligible food pantry.

The credit is equal to 25% of the fair market value of qualified donations, with a maximum benefit of \$5,000 per year. For more information, see TSB-M-18(4)C, (5), *Farm Donations to Food Pantries Credit*.

### Investment tax credit

You may be eligible for 20% of your qualified investment in property principally used in the production of goods by farming, agriculture, horticulture, floriculture, or viticulture.

For more information see forms IT-212, *Investment Credit* or Form CT-46, *Claim for Investment Tax Credit*.

### Farm employer overtime credit

Coming in 2024! You may be eligible for a credit of 118% of additional overtime paid as a result of the phase in of a new 40-hr overtime threshold.

The credit base will be overtime paid for hours worked between the new threshold and 60 hours plus there will be an advanced payment option available through an application to Agriculture & Markets. More details will be released in the coming year.

### Credit for rehabilitation expenses for historic barns

You may be eligible to claim this credit if:

- you or your business has rehabilitation expenditures (as defined in the Internal Revenue Code) which paid for any barn that is a qualified rehabilitated building,
- the barn was originally designed and used for storing farm equipment or agricultural products or for housing livestock, and
- the rehabilitation does **not** convert the barn to a residential purpose or materially alter the historic appearance of the barn.

For more information, see Form IT-212-ATT, *Claim for Historic Barn Rehabilitation Credit and Employment Incentive Credit*.

### Alcoholic beverage production credit

To be eligible for this credit, you **must** meet both of the following requirements:

- you are registered as an alcoholic beverages distributor,
- you produce 60 million gallons or less of beer or cider, 20 million gallons or less of wine, or 800,000 gallons or less of liquor in New York State during the tax year.

For more information, see Forms IT-636, *Alcoholic Beverage Production Credit*, and CT-636, *Alcoholic Beverage Production Credit*.

### Historic homeownership rehabilitation credit

You may be eligible to claim a credit for expenditures paid or incurred for the rehabilitation of a historic home located in New York State. To be eligible, you must own **and** reside in the historic home in the year for which you claim the credit.

To qualify for the credit, the rehabilitation plan for exterior work on the qualified historic home **must** be certified by a local landmark commission. If the plan includes both interior and exterior work, the plan **must** be certified by New York State Office of Parks, Recreation and Historic Preservation.

For more information, see Form IT-237, *Claim for Historic Homeownership Rehabilitation Credit*.

### Conservation easement credit

You may be eligible to claim this credit if you or your business own land that is subject to a conservation easement that is held by a public or private conservation agency. This credit is available to individual and business taxpayers. The amount of credit with any limitations is as follows:

- equals 25% of the school district, county, and town real property taxes paid during the current tax year on the land subject to the conservation easement.
- maximum credit is limited to \$5,000 each tax year.
- the amount of this credit **plus** any other tax credit that is based on school district, county, and town real property taxes cannot exceed the amount of these taxes.

For more information, see Forms IT-242, *Claim for Conservation Easement Tax Credit*, and CT-242, *Claim for Conservation Easement Tax Credit*.

### Solar energy systems equipment credit

You may be eligible to claim this credit if:

- you purchased solar energy system equipment,
- you entered into a lease of solar energy system equipment, **or** purchase power generated by solar energy system equipment not owned by you (there must be a written agreement for at least 10 years), and
- the system was installed at your principal residence and is used to produce energy for heating, cooling, hot water, or electricity for residential use.

For more information, see Form IT-255, *Claim for Solar Energy System Equipment Credit*.