

# Agricultural Enterprise Areas

## Program Overview

**Agricultural enterprise areas**, or AEAs, are community led efforts establishing designated areas important to Wisconsin's agricultural future. More specifically, an AEA is an area of productive agriculture that has received designation from the state at the request of landowners and local governments. As a part of the state's Farmland Preservation Program, AEAs strive to support local farmland protection goals.



*Image Source: Brian Sadler, Fairfield AEA*

## How an AEA can add value in your community

AEAs can help communities preserve agricultural land for the future while promoting the local agro-economy and investing in local land and water resources. An AEA enables landowners to sign a farmland preservation agreement. By signing a farmland preservation agreement with the Department of Agriculture, Trade and Consumer Protection, a landowner agrees to keep land in agricultural use for 15 years and to meet state soil and water conservation standards. In return, the landowner may claim the farmland preservation tax credit annually.

## Contact Us

Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP)

Email: [DATCPWorkingLands@wisconsin.gov](mailto:DATCPWorkingLands@wisconsin.gov)

Phone: 608/224-4611



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## Farmland Preservation Tax Credit

Landowners who own land within an AEA, and who sign a farmland preservation agreement are eligible for either:

**\$5/acre** for landowners with a farmland preservation agreement signed or modified after July 1, 2009

**\$10/acre** for landowners with lands located in a certified farmland preservation zoning district and in an AEA with a farmland preservation agreement signed or modified after July 1, 2009

## Submitting a Petition for Designation

Farmland owners, agribusinesses and local governments work together to file a petition for AEA designation. A proposed AEA petition will include the following requirements:

- Include a boundary that is contiguous, primarily in agricultural use and falls within the county certified farmland preservation plan area.
- At least 5 eligible landowners within the boundary must sign the petition in support of the request.
- All political jurisdictions with land that falls within the proposed AEA boundary, as well as all county conservationists, must sign the petition in support of the AEA.
- The proposed AEA is consistent with other local planning efforts, including the county farmland preservation plan and any comprehensive plans.

You can find instructions and other petition materials online at [farmlandpreservation.wi.gov](http://farmlandpreservation.wi.gov). Our staff is always available to answer questions.



*Image Source: Nate Olson, Dodge County*

# FARMLAND PRESERVATION TAX CREDITS

## FP ZONING AND FP AGREEMENTS SIGNED OR MODIFIED AFTER JULY 1, 2009

### FARMLAND PRESERVATION PROGRAM

#### What is a Certificate of Compliance (COC)?

A COC is issued by the county land conservation department and signifies that the land meets state soil and water conservation standards. All claimants must receive a COC in order to claim the farmland preservation tax credit. The first time a claimant claims the credit, the COC should be attached to the claim.

#### Certificate of Compliance Number (COC Number)

To claim the credit for the 2016 tax year, a landowner must have been issued a unique COC number. Claimants are required to enter this number on Schedule FC-A to show eligibility for the FP tax credit. The number is seven digits in following format: XX-XXXXX. The first two numbers are specific to the county that issues the COC and the subsequent five numbers are assigned by the County as COCs are issued. Both the County and Department of Revenue (DOR) track the COC numbers to allow DOR to cross-check landowner eligibility against farmland preservation claims.

#### Schedule FC-A Question 3

In previous tax years, question 3 of Schedule FC-A asked whether each farm on which the claim is based was in compliance with applicable soil and water conservation standards. Beginning in 2016, this question will ask whether the claimant has a certificate of compliance for each farm on which the claim is based and will then direct the claimant to enter the 7-digit COC identification number(s) on the "Qualifying Acres Schedule." Landowners may receive more than one COC number if they have an ownership interest in multiple farms. There is space on the schedule for entering multiple numbers. Entering a COC number does not replace the requirement to attach a COC if a landowner is claiming the FP credit for the first time.

#### COCs and Notices of Noncompliance (NON)

If land is determined to be out of compliance with applicable conservation standards, the county may issue a Notice of Noncompliance (NON). A copy of the NON goes to DOR and prevents the landowner from claiming the credit until the land is brought back into compliance and the NON is cancelled.

*For more information visit the department's website at <http://datcp.wi.gov> and search for*

*"Farmland Preservation Tax Credits" or call (608)224-4634*



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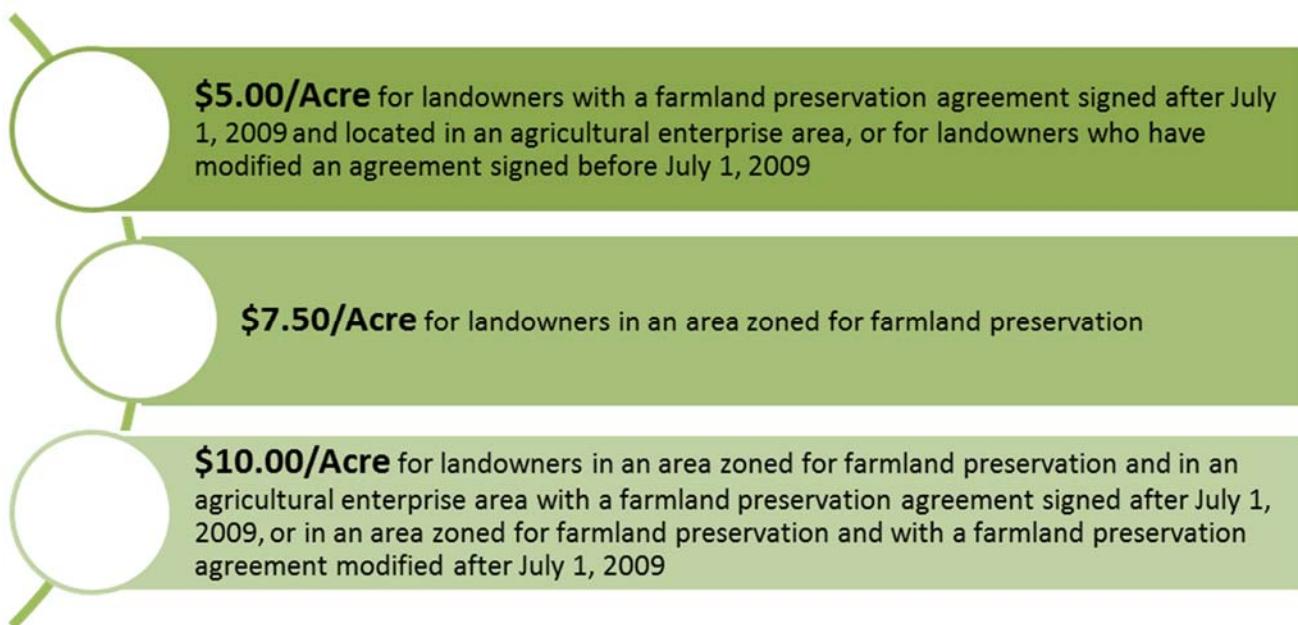
# FARMLAND PRESERVATION TAX CREDITS

## FP ZONING AND FP AGREEMENTS SIGNED OR MODIFIED AFTER JULY 1, 2009

### FARMLAND PRESERVATION PROGRAM

#### What is the farmland preservation tax credit?

The farmland preservation tax credit can be claimed by landowners who participate in the state's farmland preservation program. In exchange for the credit, these landowners keep land in agricultural use and meet state soil and water conservation standards. Land that is located in a certified farmland preservation zoning district or covered by a farmland preservation agreement signed or modified after July 1, 2009, must use Schedule FC-A to claim the credit. Tax credit amounts equal:



#### What are the eligibility requirements to claim the tax credit?

- ✓ Must be a Wisconsin resident
- ✓ Land must meet at least one of the following: (a) be within a certified farmland preservation zoning district, (b) be in an agricultural enterprise area and covered by a farmland preservation agreement, and/or (c) covered by a farmland preservation agreement signed before July 1, 2009 that has been modified
- ✓ Land must have produced at least \$6,000 in gross farm revenue during the previous year or \$18,000 in gross farm revenues during the previous three years
- ✓ Property taxes for the previous year must have been paid
- ✓ Claimant must have a certificate of compliance from the county's land conservation committee to show that the farm meets state soil and water conservation standards

*NOTE: Most FP tax credit claimants should use Schedule FC-A to claim the tax credit. Schedule FC should only be used if a landowner has a farmland preservation agreement that was signed before July 1, 2009, and has not expired or been modified. Landowners whose land is covered by a pre-2009 agreement and a farmland preservation zoning district may not claim on both Schedule FC and Schedule FC-A, the landowner must choose between the two credits. It is possible, however, to modify a pre-2009 agreement to take advantage of the flat, per-acre tax credit available under s. 71.613, Wis. Stats.*