Agricultural Assessment Decision Charts

The following chart is a guide for the determination of eligibility for an Agricultural Assessment. The chart and descriptions are for informational purposes only and do not constitute legal advice, the local assessor makes the decision for the approval or denial of an agricultural assessment.
EXPLANATORY MATERIAL FOR DETERMINING
AGRICULTURAL ASSESSMENTS

Background

The agricultural assessment program allows eligible farmland located both within and outside agricultural districts to be taxed at its agricultural assessment, rather than at its fair market value.

An agricultural district delineates viable agricultural lands and should not be confused with a municipality's zoning map or law. Agricultural district boundaries are often irregular and not necessarily contiguous. Maps outlining agricultural districts are filed at the county clerk's office. Planning departments and Cornell Cooperative Extension offices usually have copies of the maps for reference. Assessment rolls should indicate parcels that are within an agricultural district.

The agricultural assessment value establishes an "upper limit" for taxable assessments on eligible farmland. Any assessed value which exceeds the equalized agricultural assessment on the land is exempt from real property taxation.

D-1 Application received by taxable status date?

No agricultural assessment can be granted unless the owner files an application on or before taxable status date. Only an owner of property can apply for an agricultural assessment.

The landowner's first step in applying for an agricultural assessment is to go to the local Soil and Water Conservation District (SWCD) office. All farmland to be enrolled in the program is classified by soil productivity. A district technician plots each tax parcel of the farm on a soil map, and calculates the acreage in each soil group. The landowner should work with the technician to outline woodland areas and ineligible areas. The landowner may exclude any area from the program and this area should be clearly defined. The technician records the information on a Soil Group Worksheet, form APD-1 (formerly RA-100). The landowner may be charged a fee by SWCD to cover the cost of this service.

In the event that there is an excessive workload at the Soil and Water Conservation District Office to prepare soil group worksheets for all applicants, the soil group worksheet may be submitted after taxable status date as long as all other forms are filed by taxable status date.

The landowner, in turn, transfers this soils information to the Agricultural Assessment Application, RP-305 (EA-305), and indicates any farm woodland on the parcel. The landowner must complete an application form for each separately assessed parcel.

For the initial application, the landowner submits the completed RP-305 form(s) along with copies of the completed APD-1 form and the soil map to the assessor by taxable status date. The assessor will keep the soil group worksheet on file for subsequent years.

The filing date is extended to the 30th day prior to the tentative roll filing date, if the municipality is undergoing an update or reassessment.

The filing date is also extended to the last date for filing a complaint on an assessment, if the property is located within an agricultural district and one of the following conditions apply:

1) A family illness occurs which actually prevents the applicant from filing on a timely basis, as certified by a licensed physician.
2) Death of the applicant’s spouse, child, parent, brother or sister.
3) A natural disaster occurs such as a flood, or the destruction of such applicant’s residence, barn or other farm building by wind, fire or flood.

D-2 Does the parcel consist of 7 or more acres used to produce for sale crops, livestock or livestock products?

Land used in agricultural production means not less than 7 acres of land used as a single operation* in the preceding two years for the production for sale of crops, livestock or livestock products. Land used in agricultural production shall also include:

a. Rented land which independently otherwise satisfies the requirements for eligibility for an agricultural assessment.

b. Land of not less than 7 acres used as a single operation for the production for sale of crops, livestock or livestock products, exclusive of woodland products, which does not independently satisfy the gross sales value requirement, where such land was used in such production for the preceding two years and currently is being so used under a written rental arrangement of five or more years in conjunction with land which qualifies for an agricultural assessment.

c. Land used in support of a farm operation or land used in agricultural production, constituting a portion of a parcel, as identified on the assessment roll, which also contains land qualified for an agricultural assessment.

d. Farm woodland which is part of a parcel which is qualified for an agricultural assessment provided however, that such farm woodland attributable to any separately described and assessed parcel shall not exceed fifty acres.

e. Land set aside through participation in a federal conservation program pursuant to title one of the federal food security act of nineteen hundred eighty-five or any subsequent federal programs established for the purposes of replenishing highly erodible land which has been depleted by continuous tilling or reducing national surpluses of agricultural commodities.

f. Land of not less than 7 acres used as a single operation in the preceding two years for the production for sale of crops, livestock or livestock products of an average gross sales value of ten thousand dollars or more, or land of less than 7 acres used as a single operation in the preceding two years for the production for sale of crops, livestock or livestock products of an average gross sales value of fifty thousand dollars or more.

g. Land of not less than 7 acres used to support a commercial horse boarding operation or a commercial equine operation during the past two years.

*Single Operation means land used in agricultural production, whether owned or rented, that as a group comprises one distinct agricultural business enterprise. It is not required that the lands be contiguous nor in the same assessing unit.

Land actually used to produce crops, livestock or livestock products may include cropland, muck, orchards, Vineyards, pasture and managed silvopasture. For this purpose crops, livestock and livestock products include, but are not limited to, the following: field crops, fruits, vegetables, horticultural specialties, Christmas trees, cattle, horses, poultry, ratites, wool bearing animals such as alpacas and llamas, milk, eggs, furs, maple sap or syrup, honey, beeswax, royal jelly, bee pollen, propolis, package bees, nucs, queens, aquacultural products and woody biomass.

Lands that are idle due to participation in federal farm programs for the purposes of reducing national surpluses or for conservation are considered land used in agricultural production.

If 7 acres or more of the subject parcel(s) were actually used as a single operation in the preceding 2 years to produce for sale crops, livestock or livestock products, then the 7-acre minimum is met.
Newly planted orchards, vineyards or Christmas trees of a newly established farm operation. Land of not less than seven acres used solely by a newly-established farm operation for new orchards or vineyards may qualify for an agricultural assessment for four years after planting, notwithstanding the fact that no crops are produced for sale. Land of not less than seven acres used solely by such a farm operation for new Christmas trees may qualify for an agricultural assessment for five years after planting, notwithstanding the fact that no trees are harvested for sale. Eligible fruit trees, grape vines, or Christmas trees may be planted in the new farm’s first or second year of operation.

Support land is not included in meeting the 7-acre minimum. This acreage may receive an agricultural assessment if the subject parcel qualifies, but this acreage does not contribute toward meeting the 7-acre requirement.

Support land means land constituting a portion of a parcel, as identified on an assessment roll, which also contains land qualified to receive an agricultural assessment. Examples of this type of land include, but are not limited to farm ponds, swamps used for drainage, land used for erosion control, hedgerows, access roads, land under farm buildings, dikes and levees used for flood protection, drainage ditches and land used for farm waste management. Support land may also include any other minor acreage that is located amid, between or on the perimeter of cropland, orchards, vineyards and land used to pasture livestock, so long as the land is not farm woodland or nonagricultural land. Support land further may include a buffer area owned and maintained by an apiary products operation between the operation and adjacent landowners. (The total area of an apiary products operation, including support land, may not exceed ten acres.) Support land does not include land used under agricultural amusements.

Support land also includes any other spatially integrated land that constitutes a minor portion of a parcel, where such land is located amid, between, or on the perimeter of the cropland, orchards, vineyards, land that is actually used for pasturing livestock, managed Christmas tree plantations and sugarbushes, and does not constitute farm woodland or nonagricultural land.

Farm woodland means land used for the production of woodland products, intended for sale, including but not limited to logs, lumber, posts and firewood. Such land must have a forest growth of suitable character and distribution as to give assurance that a stand of merchantable timber will be developed within a reasonable time.

Farm woodland must be part of land otherwise qualified for an agricultural assessment and contiguous with croplands, orchards, vineyards, pasture, managed Christmas tree plantations, or sugarbush. Land bisected by federal, state, county or town roads, energy transmission corridors and similar facilities will be considered contiguous.

Farm woodland does not include land used as silvopasture as long as the silvopasture acreage limit is not exceeded, but if there is any silvopasture acreage over the limit, the excess acreage should be treated as farm woodland. Silvopasturing is defined as the intentional combination of trees, forages and livestock managed as a single integrated practice for the collective benefit of each, including the planting of appropriate grasses and legume forages among trees for sound grazing and livestock husbandry. Land used in silvopasturing is limited to up to ten fenced acres per large livestock (including cattle, horses and camels) and up to five fenced acres per small livestock (such as sheep, hogs, goats and poultry).

Note: Where there exists more than 50 acres of farm woodland in a separately assessed parcel, the excess farm woodland will receive a regular assessment. It is at the landowner’s discretion to determine where the excess woodland is located on the parcel. The map must show the precise location of the excess farm woodland. Since this excess woodland area will not be receiving an agricultural assessment, it will not be liable for payments if conversion to a nonagricultural use occurs.

It is also the right of the landowner to use his/her discretion in selecting which lands will be entered in the agricultural assessment program. If the landowner chooses to withdraw or keep certain portions of a parcel
out of this program, he/she may do so and such portion should be clearly designated on the soil group worksheet, and the location understood by the assessor. The portion of a parcel which has not benefitted from an agricultural assessment will not be subject to payments for converting land to a nonagricultural use.

D-3a Does the applicant own other qualifying land used for production with the subject parcel to comprise the basic 7 acres?

Frequently, farm operations are made up of more than one parcel. Therefore, land in other separately assessed parcels owned by the applicant and used together with the subject parcel may be added together to meet the 10-acre minimum. The term "single operation" defined above in section D-2 guides the assessor to look at the entire farm operation ignoring parcel, town or county boundaries. Only land actually used to produce for sale crops, livestock, or livestock products counts toward meeting the 7-acre minimum; support land, farm woodland, and nonagricultural land are not counted.

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D-3b Is the Parcel Less Than 10 Acres But Grosses More Than $50,000?

As of 1995, agricultural land consisting of less than 7 acres is eligible for an agricultural assessment. Such land must meet all other eligibility requirements and have produced for sale, in the preceding two years, crops, livestock or livestock products of an average gross sales value of $50,000 or more.

D-4 Has the land been used to produce agricultural products for sale for the previous two years?

To be eligible to receive an agricultural assessment, the land must have been actively used for the production of crops, livestock, or livestock products for the previous two years.

It is not necessary for the land to have been under the current ownership for two years to qualify. The two-year use requirement does not stipulate that the property had to be owned by the same individual for the two years.

D-5 Is the average gross sales value of agricultural products at least $10,000 for the preceding two years?

To be eligible to receive an agricultural assessment, the land must have produced crops, livestock, or livestock products of an average gross sales value of at least $10,000 for the two years preceding an application. Where farm operations consist of more than one tax parcel, this requirement may be satisfied by including the agricultural products produced on other parcels owned or rented by the applicant, and used together with the subject parcel. Determine the average gross receipts from the sale of agricultural products produced in the last two years by adding the actual gross receipts from all qualified lands for each year and dividing the sum by two. If the result is greater than $10,000, then this eligibility requirement is satisfied.

Up to $2,000 per year of the $10,000 average gross sales requirement may come from the sale of woodland products (logs, lumber, firewood, etc.) produced on farm woodlands (not to exceed 50 acres for any separately described and assessed parcel) eligible to receive an agricultural assessment.

Gross sale value means the proceeds from the sale of:

a. Crops, livestock and livestock products produced on land used in agricultural production provided that whenever a crop is processed for sale, proceeds shall be based upon the market value of such crop in its unprocessed state;

b. Woodland products from farm woodland eligible to receive an agricultural assessment, not to exceed two thousand dollars annually;

c. Honey and beeswax produced by bees in hives located on an otherwise qualified farm operation but which does not independently satisfy the gross sales requirement;
d. Maple syrup processed from maple sap produced on land used in agricultural production in conjunction with the same or an otherwise qualified farm operation.

e. Payments received by reason of land set aside pursuant to participation in certain federal farm programs for the purposes of reducing national surpluses or for conservation.

f. Payments received by thoroughbred breeders pursuant to section two hundred fifty-four of the racing, pari-mutuel wagering and breeding law.

g. Compost, mulch or other organic biomass crops produced on land used in agricultural production, not to exceed five thousand dollars annually.

Whenever a crop grown on the applicant's land or land the applicant rents from another is processed on the farm before sale, the law permits the applicant to include the market value of the unprocessed crop for purposes of satisfying the average gross sales value requirement. The applicant should list the average market value of the crop for each of the preceding two years in which such crops were harvested. Published sources may be used to substantiate the market value of crops in their unprocessed state. The market value may be determined using published price information from the New York State Agricultural Statistics Service or other verifiable sources. The quantity of production prior to processing should be substantiated by the applicant in a manner acceptable to the assessor.

An exception to the average gross sales requirement may be made in instances where acts of God, natural disasters, or continued adverse weather conditions have destroyed a substantial amount of agricultural production so that the minimum $10,000 average gross sales value cannot be met. In these situations the land may still qualify for an agricultural assessment. The application along with form RP-305-b, Application for Exception from Minimum Average Sales Value Requirement of Article 25-AA of the Agriculture and Markets Law is necessary. Form RP-305-b requires the applicant to substantiate the loss and to certify that the land is normally capable of producing agricultural products of an average gross sales value of at least $10,000.

D-6 Is the parcel used to produce agricultural products for sale under a written lease of at least five years in conjunction with other qualifying land?

When the applicant rents his/her land to another person, any portion of the subject parcel that was used as a single operation in the preceding two years to produce agricultural products, exclusive of woodland products, may be eligible. There must be at least 7 acres of agricultural land to qualify for the agricultural assessment. The number of years that the rental arrangement covers should be recorded on the application. The land must be subject to a rental agreement for a term of at least five years.

A rental arrangement is defined as a written lease signed by both of the parties to the agreement. An applicant must substantiate the term and existence of the rental arrangement by filing with the assessor either a copy of the lease or an affidavit attesting to the existence of a written lease for RP-305-C, Written Lease Affidavit For Rented Land.

Land under a rental arrangement must be used together with other land which qualifies for an agricultural assessment. An applicant must supply pertinent information on the parcels with which the subject parcel is farmed.

This information is necessary for the assessor to determine whether this other land indeed qualifies for an agricultural assessment.

When the assessor is satisfied that the requirements are met, the rented land is eligible for an agricultural assessment. However, rented land that qualifies under these circumstances may receive an agricultural assessment only on land that is actually used to produce crop, livestock or livestock products. Farm woodland and support land cannot receive an agricultural assessment.

D-7 If the applicant is a farmer and rents land in addition to own land, is the average gross sales value of the agricultural products at least $10,000?
An applicant may combine the proceeds from the sale of agricultural products produced on land he/she rents and his/her own land to satisfy the gross sales requirement.

D-8  Is this a new farm operation with gross sales of agricultural products at least $10,000 in its first or second year?

If the land used in agricultural production is a newly-established farm operation and has annual gross sales of $10,000 and seven or more acres in agricultural production, or annual gross sales of $50,000 and less than seven such acres, in the first or second year of production, and meets the other eligibility requirements does not have to meet the two year use requirement. If the newly-established farm is a commercial horse boarding operation, no less than seven acres must be used to support the horse boarding operation, at least ten horses must be boarded, and the operation must have annual gross receipts of $10,000 or more.

A-1  Land qualifies for an agricultural assessment. Proceed to calculate the agricultural assessment.

To compute the agricultural assessment the assessor needs to refer to the appropriate final certified agricultural assessment per acre for each soil group or subdivision thereof, and for farm woodland, published every year by the Office of Real Property Tax Services. The assessor should then multiply the acreage totals, or the modified acreage total, by the certified agricultural assessment per acre.

The total certified agricultural assessment should then be multiplied by the latest state equalization rate or special equalization rate. The result of the computation is the total agricultural assessment.

Not all the land in every parcel is eligible for an agricultural assessment. In addition, improvements are not eligible, except for fruit and tree/vine support structures not qualified for a Real Property Tax Law Section 483 exemption.

Subtract the total agricultural assessment of eligible land from the total assessment attributable to the eligible land.

If there is any excess amount, this is the exempt portion. If there is no excess amount, there is no exempt amount to be entered on the assessment roll.

A-2  Land qualifies for an agricultural assessment. Only the portion of the parcel used to produce crops, livestock, or livestock products qualifies for the agricultural assessment.

In the situation where rented land meets all eligibility requirements with the exception of the gross sales requirement and the land is being used under a written rental arrangement for a term of five or more years with other land that qualifies for an agricultural assessment, only the land actually being used will be eligible for the agricultural assessment. Farm woodland and support land cannot receive an agricultural assessment.

A-3  Parcel is ineligible.

If the RP-305 or RP-305-r application is not received by taxable status date with any supplemental forms necessary and the applicable soil map and soil group worksheet in the initial year, the parcel cannot be considered for an agricultural assessment and possible exemption. Consideration would have to be postponed until the next assessment cycle.

If the parcel does not consist of at least 7 acres used to produce for sale crops, livestock or livestock products and if the applicant does not own enough other qualifying land used in a single operation with the subject parcel to make up the basic 7 acres, then the parcel does not qualify for the agricultural assessment. (The only exception to the 7-acre minimum is when the land grosses $50,000 or more per year.) If less than 7 acres have been used for agricultural production for sale, land contained in separately assessed parcels, owned by the applicant and used in conjunction with the subject parcel may be considered part of the applicant's farm unit for
purposes of meeting the 7-acre minimum. If the 7-acre minimum is not satisfied, the application must be denied unless a two-year average gross sales value of $50,000 can be proven.

The land of the subject parcel must have been actually used as a part of a single operation in the preceding two years to produce crops, livestock, or livestock products. If the two-year requirement is not met, the application must be denied.

Land not meeting all of the above criteria is not eligible for the agricultural assessment.

In addition, to qualify for an agricultural assessment, the landowner must show that the crops, livestock, or livestock products produced for sale in the preceding two years on the land for which application is being made had an average gross sales value of at least ten thousand dollars or the land for which the application is being made was rented to a qualified farm operation under the requirements noted below.

Gross sales value can include sales of agricultural products produced on (1) agricultural land described in the application; (2) other parcels owned by the applicant and used in conjunction with subject parcel; and (3) land rented by the applicant from another person and used in conjunction with the subject parcel.

Rented Land:

There are two categories of rented land that are eligible for an agricultural assessment:

1. Rented land which independently satisfies the requirements for eligibility for an agricultural assessment and is rented to a person who farms it rather than being farmed by the owner. Other eligible land may include support land and farm woodland (not to exceed 50 acres for a separately described and assessed parcel).

2. Rented land may be used by a lessee to produce an intermediate agricultural product that is not actually sold or processed for sale. In this instance, rented land that is rented for an agricultural use but fails to satisfy the gross sales requirement may nevertheless be eligible to receive an agricultural assessment if all requirements are satisfied with the exception of the gross sales value requirement. A common example is rented land used by a lessee to produce corn or hay that is fed to the lessee's livestock, rather than actually sold.

In this second case, only the land actually used to produce for sale crops, livestock, or livestock products is eligible. Land not used for production and farm woodland is not eligible to receive an agricultural assessment. The land must be used under a written rental arrangement of five or more years together with land which has been determined to qualify for an agricultural assessment. The applicant may substantiate the term of a rental arrangement by filing with the assessor either a copy of the lease or an affidavit form RP-305-c signed by the applicant and lessee.

Rented land not meeting the criteria outlined above is ineligible for an agricultural assessment.

Nonagricultural land is never eligible to receive an agricultural assessment.
DETERMINING ELIGIBILITY FOR AGRICULTURAL ASSESSMENT
Commercial Horse Boarding Operations & Equine Operations

Application Received by Taxable Status Date? \(D-1\)

- Yes
  - Is the primary on site function horses racing?
    - No
      - Is the Municipality undergoing a Revaluation or Update? 30 day extension? \(D-1\)
    - Yes
      - Does one of the following conditions apply?
        1) A family illness occurs which actually prevents the applicant from filing on a timely basis, as certified by a licensed physician.
        2) Death of the applicant's spouse, child, parent, brother or sister.
        3) A natural disaster occurs such as a flood, or the destruction of such applicant's residence, barn or other farm building by wind, fire or flood. Can file up to grievance day. \(D-1\)

- No
  - Is parcel in an Ag District? \(D-1\)
    - Yes
      - Does the agricultural enterprise consist of 7 or more acres? \(H-2\)
        - No
          - Is this a commercial horse boarding operation which boards 10 or more horses, regardless of ownership? \(H-3\)
            - Yes
              - Has the agricultural enterprise received \$10,000\ annually or more in gross receipts from fees generated by the boarding of horses and/or through the production for sale of crops, livestock or livestock products; or gross receipts of \$10,000\ or more if it is in its first or second year of operation? \(H-4\)
                - No
                  - Land qualifies for the agricultural Assessment. Proceed to calculate the agricultural assessment. \(A-1\)
                - Yes
                  - Is this a commercial equine operation which stables 10 or more horses, regardless of ownership, that receives ten thousand dollars or more in gross receipts annually from fees generated through the provision of commercial equine activities including, but not limited to riding lessons, trail riding activities or training of horses or through the production for sale of crops, livestock, and livestock products, or through both the provision of such commercial equine activities and such production? \(H-5\)
                    - No
                      - Parcel is ineligible. \(A-3\)
                    - Yes
                      - Land qualifies for the agricultural Assessment. Proceed to calculate the agricultural assessment. \(A-1\)
D-1 Application received by taxable status date?

No agricultural assessment can be granted unless the owner files an application on or before taxable status date. Only an owner of property can apply for an agricultural assessment.

The landowner's first step in applying for an agricultural assessment is to go to the local Soil and Water Conservation District (SWCD) office. All farmland to be enrolled in the program is classified by soil productivity. A district technician plots each tax parcel of the farm on a soil map, and calculates the acreage in each soil group. The landowner should work with the technician to outline woodland areas and ineligible areas. The landowner may exclude any area from the program and this area should be clearly defined. The technician records the information on a Soil Group Worksheet, form APD-1 (formerly RA-100). The landowner may be charged a fee by SWCD to cover the cost of this service.

In the event that there is an excessive workload at the Soil and Water Conservation District Office to prepare soil group worksheets for all applicants, the soil group worksheet may be submitted after taxable status date as long as all other forms are filed by taxable status date.

The landowner, in turn, transfers this soils information to the Agricultural Assessment Application, RP-305 (EA-305), and indicates any farm woodland on the parcel. The landowner must complete an application form for each separately assessed parcel.

For the initial application, the landowner submits the completed RP-305 form(s) along with copies of the completed APD-1 form and the soil map to the assessor by taxable status date. The assessor will keep the soil group worksheet on file for subsequent years.

The filing date is extended to the 30th day prior to the tentative roll filing date, if the municipality is undergoing an update or reassessment.

The filing date is also extended to the last date for filing a complaint on an assessment, if the property is located within an agricultural district and one of the following conditions apply:

1) A family illness occurs which actually prevents the applicant from filing on a timely basis, as certified by a licensed physician.
2) Death of the applicant's spouse, child, parent, brother or sister.
3) A natural disaster occurs such as a flood, or the destruction of such applicant's residence, barn or other farm building by wind, fire or flood.

H-2 Does the agricultural enterprise consist of at least 7 acres?

If this agricultural enterprise does not consist of at least seven acres supporting the horse boarding or equine operation it cannot qualify for the agricultural assessment.

H-3 Is this a commercial horse boarding operation which boards ten or more horses?

Commercial horse boarding is defined as an agricultural enterprise consisting of at least seven acres with ten or more horses regardless of ownership receiving $10,000 or more in gross receipts in each of the last two years. If this agricultural enterprise generates income from boarding ten horses it may be eligible for the
agricultural assessment. Commercial horse boarding operations shall not include operations whose primary on site function is horse racing.

**H-4 Has the agricultural enterprise received $10,000 or more in gross receipts from fees generated by the boarding of horses and/or through the production for sale of crops, livestock or livestock products?**

If this agricultural enterprise has receives ten thousand dollars ($10,000) or more in gross receipts annually from fees generated either through the boarding of horses, the production for sale of crops, livestock, and livestock products, or both such boarding and such production. Such operations shall not include operations whose primary on site function is horse racing. An otherwise eligible operation proposed in its first or second year of operation may qualify as a commercial horse boarding operation if it consists of at least seven acres and boards at least ten horses, regardless of ownership, by the end of the first year of operation.

**H-5 Is this a Commercial Equine Operation?**

*Commercial equine operation* means an agricultural enterprise, consisting of at least seven acres and stabling at least ten horses regardless of ownership that receives $10,000 or more in gross receipts annually from fees generated through 1) the provisions of commercial equine activities including, but not limited to, riding lessons, trail riding or training of horses (but not horse racing), 2) production for sale of crops, livestock or livestock products, or through both 1 and 2. An otherwise eligible operation proposed or in its first or second year of operation may qualify as a commercial equine operation if it consists of at least seven acres and stables at least ten horses, regardless of ownership, by the end of the first year of operation.

**A-1 Land qualifies for an agricultural assessment. Proceed to calculate the agricultural assessment.**

To compute the agricultural assessment the assessor needs to refer to the appropriate final certified agricultural assessment per acre for each soil group or subdivision thereof, and for farm woodland, published every year by the Office of Real Property Tax Services. The assessor should then multiply the acreage totals, or the modified acreage total, by the certified agricultural assessment per acre.

The total certified agricultural assessment should then be multiplied by the latest state equalization rate or special equalization rate. The result of the computation is the total agricultural assessment.

Not all the land in every parcel is eligible for an agricultural assessment. In addition, improvements are not eligible, except for fruit and tree/vine support structures not qualified for a Real Property Tax Law Section 483 exemption.

Subtract the total agricultural assessment of eligible land from the total assessment attributable to the eligible land.

If there is any excess amount, this is the exempt portion. If there is no excess amount, there is no exempt amount to be entered on the assessment roll.

**A-3 Parcel is ineligible.**

Land not meeting all of the above criteria is not eligible for the agricultural assessment.

If the RP-305 or RP-305-r application is not received by taxable status date with any supplemental forms necessary and the applicable soil map and soil group worksheet in the initial year, the parcel cannot be considered for an agricultural assessment and possible exemption. Consideration would have to be postponed until the next assessment cycle.

Nonagricultural land is never eligible to receive an agricultural assessment.
Farm Building Exemption
(Real Property Tax Law, Section 483)

The following chart is a guide for the determination of eligibility for a new or reconstructed Farm Building Exemption. The chart and description are for informational purposes only and do not constitute legal advice, the local assessor makes the decision on the approval or denial of real property tax exemptions.

Decisions
Application Received by Taxable Status Date? B-1
Yes
No

Application received within one year from date of completion or reconstruction? B-2
Yes
No

Structure essential to agriculture or horticulture? B-3
Yes
No

Structure actually so used? B-4
Yes
No

Are farmlands being used for profit? B-5
Yes
No

Farmlands at least 5 acres? B-6
Yes
No

Actions
Deny Exemption A-1
Approve Exemption A-2
B-1 Application Received by Taxable Status Date?

No farm exemption can be granted unless the owner files an "APPLICATION FOR TAX EXEMPTION OF AGRICULTURAL AND HORTICULTURAL BUILDINGS AND STRUCTURES" (form RP-483) no later than taxable status date. The application form is available on our website.

Applications received after taxable status date may be considered for the next assessment roll, but not for the current roll. See B-2 for time limit on application.

The application needs to be filed only once, and continues for 10 years as long as the requirements in the statute are met. It is up to the assessor to check and see if the structures continue to qualify.

B-2 Newly Constructed, or Reconstructed Structures Completed Within One Year from Date Application Received?

The structure for which exemption is sought can be newly built or rebuilt. In either case, it must have been completed after January 1, 1969, but before January 1, 2019. In addition the owner must apply for the exemption within one year from the date of completion of the improvement.

A building or structure should be considered "completed" when it can be used for its intended purpose.

In municipalities where a certificate of occupancy is issued for agricultural buildings, the date that the certificate is issued is the date of completion.

B-3 Structure Essential to Agriculture or Horticulture?

The structure is essential if:

1. it is used primarily in the raising and production of agricultural or horticultural goods or used to store them, and
2. these goods are to be sold.

The structure could also be essential if:

1. it provides housing for regular and essential employees and their immediate families, and
2. these employees are mainly employed in the operation of agricultural or horticultural lands, and
3. these employees are not the actual applicant, or members of his/her immediate family. (A part owner of a closely held corporation that owns the farm property does not qualify for the exemption. However, a family member could qualify if they have no ownership interest in business.)
4. the indoor exercise arena is used by a horse farm or a commercial horse boarding operation. No, if the arena is used by a riding academy or a dude ranch.
(5) it is used for the production of maple syrup.

(6) it is used in the production of honey and bees.

(7) is a permanent or impermanent structure, including trellises and pergolas, made of metal, string or wood.

The following are examples of property uses that would not be exempt:

(1) The portion of the structure used for processing goods for market, other than maple syrup or honey.

(2) The portion of the structure used for retail merchandising of goods, other than maple syrup or honey.

If only a portion of a structure qualifies for exemption, then the exemption is granted on that portion only.

(3) Structure used in connection with breeding pets, fur bearing animals, or animals for experimental use.

(4) Structure used in connection with raising timber.

(5) Structure used to house the applicant or members of the applicant's immediate family (that is, spouse and dependents).

Some farm structures are used mainly for agricultural or horticultural use and only incidentally for processing. The exemption would apply in such situations.

B-4 Structure Actually So Used?

The farm exemption is based on the actual use of the structure in question, not on its potential use.

A barn is a farm building, but it does not gain exemption for that reason alone. A barn can be used as a restaurant, or to store antiques, or to slaughter animals, or it can be left idle. In none of these cases would the barn be exempt.

Just as an exemption is granted when a structure is used for exempt purposes, it is canceled if the structure is no longer used for farming purposes and is put to a nonexempt use.

B-5 Farmlands So Used for Profit?

The structure for which exemption is sought must be used in connection with farmlands actually used for agriculture or horticulture for profit.

If the farmlands are not used at all, the structure is not exempt.

A farm may fail to make a profit from time to time but still qualify for exemption. A farm that regularly operates at a loss should be investigated. It is the intention to operate at a profit that qualifies the farmlands.
B-6  Farmlands at Least 5 Acres?

The farmlands associated with the structure for which exemption is claimed must be at least 5 acres in agricultural or horticultural production. If they are less than 5 acres, no exemption can be claimed even if all other qualifications are met.

Lands that are used for cultivating, raising or growing crops, fruits, vegetables, flowers, ornamental trees and plants or lands used for the feeding, breeding and management of livestock or poultry satisfy this requirement.

A-1  Deny Exemption.

The flow chart shows the requirements which must be met for the exemption. All requirements must be met. If even one qualification is not met, then no exemption can be granted.

An exemption may be approved, but later denied because one of the qualifications may not be met any longer.

A-2  Approve Exemption.

When all of the qualifications for exemption are met, the exemption is approved.

The questions remaining are these:

How much is the exemption?

From what taxes is the property exempt?

How long is the exemption in effect?

The amount of exemption

The cost of the structure does not determine the amount of an exemption.

The exemption is the increase in assessed value of the property resulting from the structure.

For example, a farmer builds a new milk house that meets all the requirements for tax exemption. The former assessment on the farm was $14,500. Because of the addition of the milk house, the assessor raises the total assessment to $16,500. The difference, $2,000, is the amount of the exemption. It would be the same whether the milk house cost $1,000, or $5,000, or $9,000.

It is possible that a structure that met all requirements for exemption would not actually receive one. For example, if the assessor determined that the value of the farm was the same after the structure was built as before, the exemption would be valued at zero.

If another exemption is granted on the same property, the farm exemption is in addition to the other.

The RPTL 582 provides the following guidance in the valuation of agricultural structures:

“Structures used on land in agricultural production located within an agricultural district and/or on property receiving an agricultural assessment as provided in article twenty-five-AA of the agriculture and markets law shall be assessed at an amount not to exceed the cost of replacement
new at current prices less a deduction for physical depreciation calculated in accordance with the
assessor’s manual distributed by the division of equalization and assessment, and if applicable,
functional and economic obsolescence.”

Types of taxes covered

General municipal: county, city, town, village
School districts
The farm building exemption does not apply to ad valorem levies.

Duration of the exemption

The exemption applies for not more than 10 years. However, the exemption terminates prior to the expiration of
the ten year period if (1) the building or structure ceases to be used and occupied to carry out farming operations,
or (2) the land or building or structure is converted to non-agricultural or non-horticultural use.

If the lands or structure are converted to nonexempt use during the 10-year exemption, taxes not collected as a
result of the exemption will then be collected as rollback taxes. These are levied at the rates applying to the years
the exemption was in effect. They are collected in the year the exemption is lost.

SPECIAL NOTE

LIFETIME EXEMPTIONS FOR CERTAIN FARM BUILDINGS

The legislative session of 1994 created a new section 483-a to the RPTL providing a total exemption from
taxes, special ad valorem levies and special assessments for certain farm buildings listed below.

The following structures fall in this category:

Added

1994 Silos - both upright and horizontal
1994 Manure storage and handling facilities - such as manure tanks (i.e., “slurry store”) and lagoons.
1994 Bulk milk tanks - storing milk awaiting shipment to market.
1995 Farm feed grain storage bins and commodity sheds.
2014 On Farm and Community Anaerobic Digesters (removed in 2016, covered under RP-483-e)

To receive the exemption, the structures must be permanently affixed to agricultural land. A one-time application
for the exemption is required. (RP-483-a)

Since these structures qualify for this special exemption (483-a), they no longer qualify for the farm building
exemption.

These structures are exempt from all taxes, i.e., general municipal, school district, special district and special
assessments.
Section 483-b of the RPTL provides an exemption from taxes for historic barns which are reconstructed or rehabilitated to the extent of any increase in value attributable to the reconstruction or rehabilitation.

Each county, city, town, village and school district may choose whether or not to allow the exemption. The option must be exercised by a county, city, town, or village through adoption of a local law and by a school district through adoption of a resolution.

In order for a structure to be considered an historic barn eligible for this exemption, the structure must have been at least partially constructed prior to 1936, and must have been originally designed and used for storing farm equipment or agricultural products, or for housing livestock. An otherwise qualified barn may not receive this exemption if:

a) it received an exemption as an agricultural building exemption (RPTL §483) within ten years of the date of the application for the exemption for an historic barn;

b) it is used for residential purposes; or

c) its historic appearance has been materially altered by the reconstruction and rehabilitation.

This exemption covers a period of ten years. The following percentages of the increase in assessed value attributable to the reconstruction or rehabilitation should be applied:

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<th>Year of Exemption</th>
<th>Percentage of Exemption</th>
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<tr>
<td>1</td>
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For this exemption the exempt amount for each year is to be calculated on the basis of the exemption base, defined as the increase in assessed value in the first year of the 10-year period, unless there has occurred in any year a change in level of assessment of 15% or more for a final assessment roll, in which case the exemption base must be adjusted by the fraction resulting from dividing the total assessed value of the parcel on that final roll (after accounting for any physical or quantity changes since the prior roll) by the total assessed value on the immediately preceding assessment roll.
RPTL Section 483-c Temporary greenhouses used for agricultural production are exempt from taxation, special ad valorem levies, and special assessments.

Structure must consist of specialized agricultural equipment having a framework covered with demountable polyethylene or polypropylene material or materials of a polyethylene or polypropylene nature which is specifically designed, constructed and used for agricultural production. A temporary greenhouse may include, but is not limited to, the use of heating devices, water and electrical utilities, and embedded supporting poles.

These structures are exempt from all taxes, i.e., general municipal, school district, special district and special assessments.

RPTL Section 483-d Certain farm or food labor camps and commissaries, and any other structures used to improve the health, living and working conditions for farm laborers are exempt from taxation, special ad valorem levies, and special assessments.

The structure must be one of the following: 1) a farm or food processing labor camp or commissary, as defined under Article 7 of the Labor Law, or 2) any other structure used to improve the health, living and working conditions for farm laborers. Both types of structures must be in compliance with all applicable standards set by the departments of health and labor, and the state building code commission.

These structures are exempt from all taxes, i.e., general municipal, school district, special district and special assessments.

RPTL Section 483-d Anaerobic Digestion Facilities

Structures permanently fixed to land for the purpose of anaerobic digestion of agricultural materials or the storage and handling of the agricultural materials that are part of the digestion process, together with any equipment necessary for producing, collecting, storing, cleaning and converting biogas into forms of energy and generation, transmission, transporting, use of and/or the sale of biogas or energy on-site, off-site, and/or pursuant to an interconnection agreement with a utility.

Agricultural materials includes, but is not limited to, livestock manure, farming wastes and food residuals and other organic wastes associated with food production or consumption with at least fifty percent by weight of its feedstock on an annual basis being livestock manure, farming wastes and crops grown specifically for use as anaerobic digestion foodstock.

Food residuals means organic material, including, but not limited to, food scraps, food processing residue, and related soiled or unrecyclable paper used in food packaging, preparation or cleanup.

Granted upon the application of the owner of the property upon which such structures are located.

Form RP-483-e must be filed on or before taxable status date. Applications received by June 1, 2016 are deemed timely filed for the 2016 Assessment Roll.

Once an exemption is granted no renewal is necessary. These structures are exempt from all taxes, i.e., general municipal, school district, special district and special assessments.
March 2012

Proof of Average Gross Sales Value in connection with Applications for Agricultural Assessment

We have been asked whether persons applying for agricultural assessment must provide a copy of their Farm Profit or Loss Schedule from their Federal Income Tax Return (i.e., Form 1040, Schedule F) with their Form RP-305. The answer is no, not if they submit other evidence with their application that demonstrates to the assessor’s satisfaction that the average gross sales value of the farm operation is at least $10,000 (or $50,000 if less than seven acres).

The law does not require any particular documentation to be submitted with an application for agricultural assessment. Since the burden of establishing eligibility for the exemption rests with the applicant, the applicant may choose what information to supply to the assessor. Such substantiation may include Schedule F, bookkeeping records, bills of sale, receipts, other financial records, or any combination of the above. The failure to submit a Schedule F is not, in and of itself, grounds to deny the application. If the information provided substantiates that the land satisfies the gross sales value requirement, and all other qualifications are met, then the agricultural assessment should be granted.

On the other hand, the assessor must be satisfied that the eligibility requirements are satisfied before he or she may grant the exemption. If the assessor finds the documentation submitted with the application to be inconclusive, he or she may make reasonable demands for additional information, including the Schedule F. Ultimately, if after reviewing the information provided, the assessor reasonably finds that the applicant has failed to demonstrate that the land meets the average gross sales value requirement, he or she would be obliged to deny the application.

We would remind all assessors that when they do receive a Schedule F or any other income tax return information, they must treat it as confidential material and do their utmost to protect it from unauthorized disclosure.
Ag Assessment & Rented Land

Ag & Mkts Law 25-AA Section 301 (4)(a.) & (b.)

a. Rented land which otherwise satisfies the requirements for eligibility for an agricultural assessment.

- Must meet 7 acre minimum requirement (can be a combination of parcels of the same owner rented to the same farmer), unless it independently has average gross sales of $50,000 or more, on less than 7 acres.
- Farmed for last 2 years (exclusive of woodland products)
- Must independently meet the $10,000 average sales requirement.

Ex. Farmer A rents his entire farm to Farmer B. Farmer B operates the farm as a single stand alone operation, just as if Farmer A was operating the farm.

The crop land, support land and up to 50 acres of farm woodland per parcel would qualify for Agricultural Assessment and a 5 year rental agreement would not be required.

b. Land of not less than seven acres used as a single operation for the production for sale of crops, livestock or livestock products, exclusive of woodland products, which does not independently satisfy the gross sales value requirement, where such land was used in such production for the preceding two years and currently is being so used under a written rental arrangement of five or more years in conjunction with land which is eligible for an agricultural assessment.

- Must meet 7 acre minimum requirement (can be a combination of parcels of the same owner rented to the same farmer)
- Farmed for last 2 years (exclusive of woodland products)
- Written rental agreement of five or more years
- Must be used in conjunction with land that would be eligible for an agricultural value assessment
- Only land used for production eligible (woodland is not eligible unless used for maple sap production)

Ex. Owner C has a 15 acre parcel consisting of 8 acres of cropland, 5 acres of woodland, 1 acre of support land and 1 acre for his home. As Owner C does not farm the land, and has no income from sales of crops, livestock, etc., so does not meet the income requirement. Owner C rents 14 acres, comprising of the cropland, support land and woodland to Farmer D, under a 5 year written rental agreement. Farmer D has a 500 acre dairy farm and qualifies for Agricultural Assessment. Farmer D uses 7 acres of the rented land in ag production by planting corn which is used in his dairy operation.

Only the 7 acres actually being used in ag production qualifies for Ag Assessment. (the production for sale of crops, livestock or livestock products, exclusive of woodland products) the support land and woodland is not eligible.
Farm Woodland

AML 25-AA §301 (3.)

3. "Farm woodland" means land used for the production of woodland products intended for sale, including but not limited to logs, lumber, posts and firewood. Farm woodland shall not include land used to produce Christmas trees or land used for the processing or retail merchandising of woodland products.

AML 25-AA §301 (4.) (d.)

4. "Land used in agricultural production" means not less than seven acres of land used as a single operation in the preceding two years for the production for sale of crops, livestock or livestock products of an average gross sales value of ten thousand dollars or more; or, not less than seven acres of land used in the preceding two years to support a commercial horse boarding operation or a commercial equine operation with annual gross receipts of ten thousand dollars or more. Land used in agricultural production shall not include land or portions thereof used for processing or retail merchandising of such crops, livestock or livestock products. Land used in agricultural production shall also include:

d. Farm woodland which is part of land which is qualified for an agricultural assessment, provided, however, that such farm woodland attributable to any separately described and assessed parcel shall not exceed fifty acres.

AML 25-AA §301 (9.) (b.)

9. "Gross sales value" means the proceeds from the sale of:

b. Woodland products from farm woodland eligible to receive an agricultural assessment, not to exceed two thousand dollars annually;

From our Rules and Regulations.

20 NYCRR 8194.1

(u) Qualified farm woodland means farm woodland which is part of land otherwise qualified for an agricultural assessment, and which does not exceed 50 acres attributable to any separately assessed parcel. Farm woodland is considered to be part of land otherwise qualified for an agricultural assessment if it is used as a single operation and contiguous with such land. Lands divided by State, county or town roads, energy transmission corridors and similar facilities are to be considered contiguous. In determining average gross sales value, proceeds from the sale of woodland products from farm woodland qualified for an agricultural assessment may be included up to a maximum annual amount of $2,000.
For farm woodland to qualify for an agricultural assessment, it must be located on a parcel that has land used in agricultural production or be contiguous to land used in agricultural production. Farm Woodland must not exceed 50 acres on each separately assessed parcel. Farm woodland does not have to have sales of woodland products to eligible for an Agricultural Assessment, but only the production of woodland products, intended for sale.

If farm woodland does qualify for an agricultural assessment, up to a maximum of $2,000 in proceeds from the sale of woodland products may be included towards the determination of the gross sales requirement.
Web References

- [www.tax.ny.gov](https://www.tax.ny.gov/research/property/assess/valuation/agindex.htm)

- Agriculture & Markets Law – Article 25AA

- Opinions of Counsel (index)

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