



March 1, 2023

**Farm Use Assessment (AS 29.45.060)**

**IMPORTANT INFORMATION- YOU MUST READ PRIOR TO SUBMITTING YOUR APPLICATION- SUBMISSION OF YOUR APPLICATION INDICATES THAT YOU HAVE READ AND UNDERSTAND THESE REQUIREMENTS.**

Eligible Farmers,

The annual Application period has opened for FARM USE DEFERRAL. Applications and the required income documentation must be received **PRIOR TO MAY 15, 2023**.

FARM USE is defined by statute as “the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these.”

To QUALIFY as FARM USE LAND, “the **owner** or **lessee** must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land”. This means the owner or lessee actually performed the farming, and the Assessor may require additional documentation to verify eligibility.

**Income Documentation is specific to your particular tax filing status. The Assessor does not give tax advice. Please Note Regardless of the form of business you have THE NAME ON THE TAX RETURN, THE APPLICATION, THE DEED OR LEASE OF THE LAND, MUST ALL MATCH.**

**INCOME DOCUMENTATION (Must include one of the following tax returns)**

**Form 1040 & Schedule F**

**Form 1040NR & Schedule F**

**Form 1041 & Schedule F**

**Form 1065 & Schedule F**

**Form 1120 & 1120S (Corporations & Sub-Chapter S Corporations)**

Submit your original signed application, required income documentation, any lease documentation if any portion of your property is leased to this office at the address listed above. Applications must be received PRIOR to May 15, 2023, and cannot be accepted via emailed. Your application will be denied if names do not match and correct documentation or required income documentation, indicating eligibility is not received upon application submission.

You are advised to read through the documentation attached and be aware of all eligibility guidelines so there are no surprises or misunderstandings about this state program. A complete copy of AS 29.45.060 is provided within this packet. If you have further questions that my office has been unable to answer and that are not explained within these documents, you are advised to reach out to the State Assessor at 907-269-4565.

Cecily Manning  
Borough Assessor  
Director of Assessing  
907-459-1428

# FARM USE ASSESSMENT APPLICATION - AS 29.45.060

Application must be filed before May 15 of the assessment year. Complete a separate form for each parcel contained within the farm unit.			
PAN:		Municipality: <b>FNSB</b>	
Legal Description:			
Owner of Record:		Lessee (if applicable):	
Name:		Name:	
Mailing Address:		Mailing Address:	
City, State, Zip:		City, State, Zip:	
Telephone No.	email :	Telephone No.	email:
Applicant is: <input type="checkbox"/> Owner of record <input type="checkbox"/> Lessee (copy of lease attached) <input type="checkbox"/> Ownership Verified (Assessor):			
Describe the Farm Use of the Property (Dairy Farm, Corn, Row Crops, etc.)			Total Acreage: Total Acreage Cleared: Total Acreage in Prod:
I hereby make application for Farm Use Assessment on the above described property for assessment year 2023. I also state that I am engaged in farming the above described parcel of land for profit and that my previous year's gross income from this land was ___ % of my yearly adjusted gross income. I hereby submit information to document this income per 3 AAC 138.020 & 3 AAC 138.060. I have read the requirements for the application and understand that a willful misstatement is subject to punishment by fine or imprisonment under AS 11.56.210.			
Owner Signature:		Lessee Signature:	
Gross Income from livestock raised and sold from this property in the previous year			
Gross Income from crops grown and sold from this property in the previous year			
Gross Income from dairy products produced and sold from this property in the previous year			
<b>INCOME VERIFICATION</b>			
___ Last Year's Income      ___ Past Three Years (In the event of a crop failure ___ Estimated income this year. Notarized statement will be filed with the local assessor prior to February 1, next year. (No history of farm related income). by an act of God the previous year.)			
___ Income Verification documents submitted to local assessor			
<b>Income Documentation (Must include one of the following):</b>			
___ Form 1040 & Schedule F    ___ Form 1040NR & Schedule F    ___ Form 1041 & Schedule F    ___ Form 1065 & Schedule F ___ Form 1120 & 11208 (Corporations & Sub-Chapter S Corporations)			
I, the undersigned, hereby certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that a willful misstatement is subject to punishment by fine or imprisonment under AS 11.56.210. In the event that the land is converted to a use incompatible with farm use, the owner shall be liable for the amount of tax deferred plus interest for the preceding seven years in accordance with AS 29.45.060(a). (Statutory citation on reverse side of form.)			
Signature of Owner		Date	
I, the undersigned, hereby certify that I have read this application and the answers given are true and correct to the best of my knowledge. I understand that willful misstatement is subject to punishment by fine or imprisonment under AS 11.56.210.			
Signature of Lessee		Date	

**THIS SPACE FOR LOCAL ASSESSOR'S USE ONLY**

Property	Full Value	Farm Value	Deferred	
Land				<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED <input type="checkbox"/> Not dedicated or being used for non-farm purposes
Buildings			NONE	
TOTAL				
Mill Rate				Verified By:
				Income Verified By:

**ALASKA STATUTES and ALASKA ADMINISTRATIVE CODE REFERENCES:**

**Sec. 29.45.060. Farm or Agricultural Land**

(a) Farm use land included in a farm unit and not dedicated or being used for nonfarm purposes shall be assessed on the basis of full and true value for farm use and may not be assessed as if subdivided or used for some other nonfarm purpose. The assessor shall maintain records valuing the land for both full and true value and farm use value. If the land is sold, leased, or otherwise disposed of for uses incompatible with farm use or converted to a use incompatible with farm use by the owner, the owner is liable to pay an amount equal to the additional tax at the current mill levy together with eight percent interest for the preceding seven years, as though the land had not been assessed for farm use purposes. Payment by the owner shall be made to the state to the extent of its reimbursement for revenue loss under (d) of this section for the preceding seven years. The balance of the payment shall be made to the municipality.

(b) An owner of farm use land shall, to secure the assessment under this section, apply to the assessor before May 15 of each year in which the assessment is desired. The application shall be made upon forms prescribed by the state assessor for the use of the local assessor, and shall include information that may reasonable be required to determine the entitlement of the applicant. If the land is leased for farm use purposes, the applicant shall furnish to the assessor a copy of the lease bearing the signatures of both lessee and lessor along with the completed application. The applicant shall furnish the assessor a copy of the lease covering the period for which the exemption is requested. This subsection does not apply to a person with an interest in land that is classified by the state for agricultural use or that is restricted by the state for agricultural purposes.

(c) In the event of a crop failure by an act of God the previous year, the owner or lessee may submit an affidavit affirming that 10 percent of gross income for the past three years was from farming.

(d) Subject to legislative appropriations for the purpose, the state shall reimburse a borough or city, as appropriate, for the property tax revenues lost to it by the operation of this section.

(e) All land that is classified by the state for agricultural use or that is restricted by the state for agricultural purposes shall be assessed on the basis of full and true value based upon that restricted use.

(f) This section does not apply to land for which the owner has granted, and has outstanding, a lease or option to buy the surface rights. A property owner wishing to file for farm use classification having no history or farm-related income may submit a declaration of intent at the time of filing the application with the assessor setting out the intended use of the land and the anticipated percentage of income. an applicant using this procedure shall file with the assessor before February 1 of the following year a notarized statement of the percentage of gross income attributable to the land. Failure to make the filing required in this subsection forfeits the exemption.

(g) In this section, "farm use" means the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these. To be farm use land, the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land.

**3 AAC 138.020 Income Verification**

(a) In addition to the application prescribed in 3 AAC 138.010, an applicant must establish before May 15 of the assessment year that the gross income attributed to farm-use land is at least 10 percent of the applicant's yearly gross income, by either

- (1) providing the clerk or assessor of the municipality proof of income eligibility as shown by income tax returns or other reasonable documented information which is determined by the local assessor to be sufficient proof of eligibility; or
- (2) providing the department with copies of signed federal income tax returns submitted to the Internal Revenue Service for the previous year.

(b) Failure to provide documentation as required by this section forfeits the claim for reimbursement for that assessment year.

**3 AAC 138.060 Definition**

In this chapter

(1) "farm use assessment" means the value of the unit or parcel of property for which application for a farm use assessment and tax deferral is made, based upon its highest and best use as farm or agricultural land;

(2) "yearly gross income" means the income of the applicant for the year preceding the tax year for which the application is filed and means the adjusted gross income of the applicant as defined in Section 62 of the Internal Revenue Code (26 U.S.C. 62).



## **Farm Use Assessment (AS 29.45.060)**

Title 29 of the State of Alaska grants a deferment of taxes to qualifying “Farm Use Land” as specified by AS 29.45.060 of the statutes of the State of Alaska. Farm Use Land is defined by the statute as “the use of land for profit for raising and harvesting crops, for the feeding, breeding, and management of livestock, for dairying, or another agricultural use, or any combination of these.”

To qualify as Farm Use Land, “the owner or lessee must be actively engaged in farming the land, and derive at least 10 percent of yearly gross income from the land.” The Office of the State Assessor has examined the statute and determined that the following conditions apply:

- If the land is leased, the applicant shall provide a complete copy of the lease to the assessor, unless a current copy of the lease is already on file.
- Regardless of the form of business, the name on the tax return, application, and the deed or lease of the land shall match.
- Applications must be received prior to May 15<sup>th</sup> of the tax year.
- Copies of all applications (allowed or not) shall be maintained by the local municipality
- Provision of the items noted above does not constitute approval of the application by the assessor.

For reference purposes, a complete copy of AS 29.45.060 is provided on the following page.

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