

16.79 Beginning farmer tax credit program — eligibility criteria.

1. A taxpayer is eligible to participate in the beginning farmer tax credit program if the taxpayer meets all of the following requirements:

a. The taxpayer is a person who may acquire or otherwise obtain or lease agricultural land in this state pursuant to [chapter 9H](#) or [9I](#). However, the taxpayer must not be a person who may acquire or otherwise obtain or lease agricultural land exclusively because of an exception provided in one of those chapters or in a provision of another chapter of this Code including but not limited to [chapter 10](#), [10D](#), or [501](#), or [section 15E.207](#).

b. The taxpayer has entered into an agricultural lease agreement with a qualified beginning farmer to lease agricultural land as provided in [section 16.79A](#).

c. The taxpayer has not been at fault for terminating a prior agreement under the program or another agreement in which the taxpayer was allowed to claim a tax credit under [section 175.37](#) as it existed prior to January 1, 2015, or [section 16.80](#) as it existed prior to January 1, 2018.

d. If the agreement includes the lease of a confinement feeding operation structure as defined in [section 459.102](#), the taxpayer is not a party to a pending administrative or judicial action, including a contested case proceeding under [chapter 17A](#), relating to an alleged violation involving an animal feeding operation as regulated by the department of natural resources, regardless of whether the pending action is brought by the department or the attorney general.

e. The taxpayer is not classified as a habitual violator for a violation of state law involving an animal feeding operation as regulated by the department of natural resources under [chapter 459](#).

f. The taxpayer is not a partner of a partnership, shareholder of a family farm corporation, or member of a family farm limited liability company that is the lessee of an agricultural asset that is part of an agricultural lease agreement.

2. A beginning farmer is a qualified beginning farmer eligible to participate in the program by meeting all of the following criteria:

a. Is a resident of the state. If the beginning farmer is a partnership, all partners must be residents of the state. If a beginning farmer is a family farm corporation, all shareholders must be residents of the state. If the beginning farmer is a family farm limited liability company, all members must be residents of the state.

b. Has sufficient education, training, or experience in farming. If the beginning farmer is a partnership, at least one partner who is not a minor must have sufficient education, training, or experience in farming. If the beginning farmer is a family farm corporation, at least one shareholder who is not a minor must have sufficient education, training, or experience in farming. If the beginning farmer is a family farm limited liability company, at least one member who is not a minor must have sufficient education, training, or experience in farming.

c. Has access to adequate working capital and production items.

d. Will materially and substantially participate in farming. If the beginning farmer is a partnership, family farm corporation, or family farm limited liability company, at least one of the partners, shareholders, or members who is not a minor must materially and substantially participate in farming.

e. Does not own more than a ten percent ownership interest in an agricultural asset included in the agreement.

[2019 Acts, ch 161, §8, 18, 19](#)

Referred to in [§16.77](#)

Section applies retroactively to January 1, 2019, for tax years beginning on or after that date; 2019 Acts, ch 161, §19