



Information for Farm Assessment Applicants about the New Farmland Assessment Gross Sales Form

Alongside this year's application for farmland tax assessment (the "FA-1" form), you should have received a new supplemental gross sales form (FA-1 G.S.). This new form, an outcome of the changes to the farmland tax assessment program that were authorized in 2013 and take effect this year, intends to harmonize the collection of proof of sales information from all farmland assessment applicants. Heretofore, assessors have had full discretion to request this proof of sales information, but 2015 marks the first year for which such documentation will be required of all applicants.

Given that this is a new form, you may have questions or need some helpful tips during your review of the document. What follows are some key points to consider.

This form is due, along with the FA-1 form, on or before August 1st, 2015. Late submission is grounds for denial. Farm Bureau strongly encourages applicants to hand deliver their application packet to the tax assessor's office! Input your phone number to enable your assessor to contact you with any questions or concerns about your application!

Landowner is the Applicant

- **Be reminded that the landowner is the applicant.** As with the FA-1 form, it is the responsibility of the landowner to ensure that the FA-1 G.S. form is completed and submitted on or before August 1st. **Both the landowner and the farmer must sign the FA-1 G.S. in rental situations.**
- Landowners leasing their property to a farmer should work with the farmer to confirm that the information reported on the FA-1 G.S. form is accurate, including the "final income" information (see below for further comments on this), and must likewise obtain the signature of the tenant farmer. **Rental payments do not constitute qualifying sales.** Therefore it is incumbent on the landowner-applicant to work with the tenant farmer to acquire the necessary agricultural production/sales information when filling out this form.

Section II: Gross Sales

- When inputting information into the section labeled "Gross Sales", please note that **this form seeks only to capture information about "production for sale"-related activities on the farm.** There is no need to re-report information about appurtenant woodland, land under retention ponds and so forth since this information is already included on the FA-1 form. The total acreage reported on the FA-1 G.S. form may be less than that which is reported on the FA-1 form.
- For each crop or livestock type that is produced/managed on the farm, input any relevant information into the corresponding box under the "Gross Sales" section. For example, if you operate an equine boarding operation and qualify on the basis of 10-acres that is used for grazing the boarded horses ("imputed grazing"), you might input "imputed grazing for boarded horses" in the column under "permanent pasture", then "10" in the column to the right labeled "acres".

"Final Income" Box

- **Importantly, all applicants are reminded that they need only show income sufficient to meet the minimum qualification criteria for farmland tax assessment eligibility** (\$1,000 for the first five acres, \$5 for each additional acre except for properties under a woodlot management plan where the incomer remains at \$500 for the first five acres, \$0.50 for each additional acre). This is a key consideration. The expectation is not that a farmer will be required to divulge his/her total income derived from all farming activities on the property; only that which is necessary to validate compliance with the minimum gross sales criteria.
- In rental situations, landowners should work with their tenant farmer to obtain confirmation that the minimum income threshold has been achieved.
- **Even with this new standardized form, assessors maintain discretion to request any supplemental and supportive information to verify the contents of the FA-1 G.S. form.**

These are just some suggestions. Be sure to read the instructions on page two of the new form for further guidance. Additionally, farmland owners are encouraged to contact the Farm Bureau office at 609-393-7163 for more information. This is but one agricultural policy issue that New Jersey Farm Bureau takes the lead on. If you are already a member, thank you. If you are not a member, please take some time to consider membership.