



## Agricultural Assessment

Agricultural assessment allows eligible farmland located in or outside agricultural districts to be taxed at its agricultural value rather than market value.

*Why apply for agricultural assessments?*

It can make a difference in the amount you pay in property taxes. You will be paying taxes based on the agricultural value of land determined each year by the state, not by local market conditions. In most cases the state's values per acre are lower than your property's assessed value unless you happen to be in a county where assessed values are low.

*How does the exemption work?*

The exemption you receive is the difference between the local assessed value and the state's agricultural values. The state publishes agricultural values annually for 10 soil groups and for woodlands.

*To qualify for agricultural assessment:*

- Must have 7 acres or more of land in production **for sale** of crops, livestock or livestock products
- The same farmer must farm the land for at least 2 years
- Farming enterprises must generate \$10,000 in sales (average for 2 years)
- **Note:** a combination of enterprises generating \$10,000 in sales will qualify. Up to \$2,000 in wood product sales (timber, logs, posts, firewood) can qualify towards the \$10,000 minimum.
- Start-up farms are eligible if they generate \$10,000 in sales in the first year of operation
- Farms less than 7 acres qualify if they generate \$50,000 in sales
- If at least 7 acres of land owned by a rural landowner is **rented to a farmer** (who meets the income requirements), it is eligible for agricultural assessment provided the landowner has a 5 year written lease with the farmer

*Proof of Average Gross Sales Value:*

Assessors may request proof (tax returns or legitimate bookkeeping records) that you met the \$10,000 gross sales requirement.

Types of farming enterprises that can qualify for agricultural assessment:

field crops, fruits, vegetables, horticultural specialties (nursery, greenhouse), livestock and livestock products (includes dairy, meat, poultry species, horses, and exotics like ratites, farmed deer and buffalo, fur bearing animals), maple, honey, Christmas trees, aquaculture, woody biomass (short term crops harvested for energy), Commercial horse boarding operations with 10 or more horses boarded at a time and that meet the other requirements.

Agricultural assessment is available for the following land uses:

- Land used in agricultural production that meets criteria – 7 acres, \$10,000 sales
- Up to 50 acres of farm woodland used for the sale of woodland products (logs, lumber, posts, firewood); must be part of the farmed parcel(s) to qualify, it cannot be a separate tax parcel
- Support land including farm ponds, drainage ditches, land used for erosion control, hedgerows, access roads, land under farm buildings and tenant houses, land used for farm waste management (manure pits, etc.)
- Land set aside through participation in federal conservation programs
- Land under farm buildings
- Land associated with oil, gas, and wind development or extraction activities

(over)





# Property Tax Exemption for Farmland Guide to Farming in New York State

**#21**  
Revised  
6/15/07

## Application Process

1. Go to the county Soil and Water District Conservation office (SWCD) - complete a soils group worksheet. All land qualifying for agricultural assessment is grouped by soil type. SWCD will do this for you – there may be a fee and you will need your tax parcel numbers.
2. Take the completed soils worksheet to your town/county assessor and obtain copies of the Agricultural Assessment Application (form RP-305). Complete one form for each parcel. The assessor will keep the soils worksheet on file. Make copies of the soils worksheet and application for your records.
3. **Agricultural assessment applications must be filed every year prior to the taxable status date (March 1).** Agricultural assessment is **not automatic** – you must apply every year by the taxable status date. If you fail to apply, you will not receive the exemption. If no changes have been made in land used for farming, then after the initial application, you will file a short form RP-305-r.
4. If you buy or sell land, make sure you complete a new soils worksheet and file a new Agricultural Assessment form to reflect the changes.

**Rented Land** – land rented to a farmer for agricultural production is eligible for ag assessment if there are at least 7 acres used in the two preceding years and the land is subject to a rental agreement (written lease) for a term of at least 5 years. A copy of the lease or form RF-305-c must be filed with the assessor. Only the land actually used by the farmer will be eligible for agricultural assessment. Woodland is not eligible unless it involves sugarbush rental. Landowners must complete the application process described above to qualify – complete the soils worksheet, go the assessment office and complete form RP-305, and file every year before the taxable status date to receive the exemption.

Renting land to a qualifying farmer is a way for rural landowners, who do not farm, or small farmers who do not use all their land, to receive an agricultural exemption on land that is rented.

## Penalties associated with conversion of agricultural land that has received an agricultural exemption:

- A conversion takes place when the land is actually converted from potential agricultural use to a built structure. Land that is sold, is no longer actively farmed and lies idle is not a converted until something is built on the property.
- A penalty is assessed based on the amount of land that is converted and for the amount of the exemption that was received on the converted portion during the past 5 years.
- The penalty is assessed to the owner making the conversion, who may not be the farmer that sold the land but the new owner who changed the land use. The issue of who pays the penalty is sometimes negotiated when the property is being sold.
- This topic is complicated so it pays to speak with your assessor if you have concerns about the penalties associated with a conversion. Most often the penalty is not a deterrent to whatever change is being proposed.

**Taxable Status Date:** March 1 – check with your County/Town Assessor to be sure.

## Where to get more information

- Start with your County Assessment Department
- Visit with your Town Assessor
- NYS Office of Real Property Services website:  
[www.orps.state.ny.us/assessor/valuation/agriculture/valcomp90.htm](http://www.orps.state.ny.us/assessor/valuation/agriculture/valcomp90.htm)



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