2023 ASSEMBLY BILL 133

March 31, 2023 – Introduced by Representatives OLDENBURG, NOVAK, SHANKLAND, TRANEL, C. ANDERSON, CONSIDINE, HURD, JACOBSON, MURSAU, SCHMIDT, VANDERMEEER, BARE, JOERS, KRUG, NEDWESKI, PENTERMAN, SUBECK, MYERS and PRONSCINSKE, cosponsored by Senators TESTIN, TAYLOR, PFAFF, SPREITZER, BALLWEG, HESSELBEIN, MARKLEIN, QUINN, SMITH, TOMCZYK, CARPENTER, ROYS, WANGGAARD and COWLES. Referred to Committee on Agriculture.

AN ACT to amend 71.613 (2) (intro.), 71.613 (2) (a), 71.613 (2) (b), 71.613 (2) (c), 91.04 (intro.) and 91.62 (1) (a); and to create 71.613 (1) (h) 4., 71.613 (2) (am), 71.613 (2) (bm), 71.613 (2) (cm), 71.613 (2) (d), 71.613 (2e) and 91.04 (2) (bm) of the statutes; relating to: farmland preservation agreements and tax credits.

Analysis by the Legislative Reference Bureau

This bill makes the following changes involving farmland preservation agreements and farmland preservation tax credits:

1. Decreases the minimum required length of a farmland preservation agreement between the Department of Agriculture, Trade and Consumer Protection and a farmland owner to 10 years from 15 years. Under current law, a farmland owner who enters into a farmland preservation agreement with DATCP may be eligible to receive farmland preservation tax credits for his or her qualifying acres of farmland.

2. Requires DATCP to include in a report submitted to the Board of Agriculture, Trade and Consumer Protection, the Joint Committee on Finance, the standing committees of the legislature with jurisdiction over agriculture, the Department of Revenue, and the Department of Administration a review of the tax credit amounts for qualifying acres for the farmland preservation tax credit and recommendations for the tax credit levels for qualifying acres of farmland. Current law requires DATCP to submit a report about farmland and the farmland preservation program once every two years to the board, DOR, and DOA.
3. Under the farmland preservation tax credit, increases from $7.50 to $10 the amount that may be claimed, per qualifying acre, for qualifying acres that are located in a farmland preservation zoning district but are not subject to a farmland preservation agreement.

4. Under the farmland preservation tax credit, increases from $5 to $10 the amount that may be claimed, per qualifying acre, for qualifying acres that are subject to a farmland preservation agreement but are not located in a farmland preservation zoning district.

5. Under the farmland preservation tax credit, increases from $10 to $12.50 the amount that may be claimed, per qualifying acre, for qualifying acres that are located in a farmland preservation zoning district and are subject to a farmland preservation agreement.

6. Adds a new category of farmland that qualifies for the farmland preservation tax credit. A credit of $10 per acre may be claimed for farmland that is located in a farmland preservation area, but only to the extent that the acres are covered by an agricultural conservation easement.

The bill also indexes the farmland preservation tax credit dollar amounts described above for inflation.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 71.613 (1) (h) 4. of the statutes is created to read:

71.613 (1) (h) 4. The farm is wholly or partially covered by an agricultural conservation easement purchased under s. 93.73, except that if the farm is only partially covered, the qualifying acres calculation includes only those acres that are covered by the agricultural conservation easement and located in a farmland preservation area, as defined in s. 91.01 (16), at the end of the taxable year to which the claim relates.

SECTION 2. 71.613 (2) (intro.) of the statutes is amended to read:

71.613 (2) FILING CLAIMS. (intro.) Subject to sub. (2e) and to the limitations and conditions provided in sub. (3), a claimant may claim as a credit against the tax imposed under s. 71.02, 71.23, or 71.43, an amount calculated by multiplying the
claimant’s qualifying acres by one of the following amounts, and if the allowable
amount of the claim exceeds the income taxes otherwise due on the claimant’s income
or if there are no Wisconsin income taxes due on the claimant’s income, the amount
of the claim not used as an offset against income taxes shall be certified by the
department of revenue to the department of administration for payment to the
claimant by check, share draft, or other draft from the appropriation under s. 20.835
(2) (do):

SECTION 3. 71.613 (2) (a) of the statutes is amended to read:

71.613 (2) (a) Ten dollars Except as provided in par. (am), $10, if the qualifying
acres are located in a farmland preservation zoning district and are also subject to
a farmland preservation agreement that is entered into after July 1, 2009.

SECTION 4. 71.613 (2) (am) of the statutes is created to read:

71.613 (2) (am) For taxable years beginning after December 31, 2022, the
amount that may be claimed per qualifying acre under par. (a) shall be $12.50.

SECTION 5. 71.613 (2) (b) of the statutes is amended to read:

71.613 (2) (b) Seven dollars and 50 cents Except as provided in par. (bm), $7.50,
if the qualifying acres are located in a farmland preservation zoning district but are
not subject to a farmland preservation agreement that is entered into after July 1,
2009.

SECTION 6. 71.613 (2) (bm) of the statutes is created to read:

71.613 (2) (bm) For taxable years beginning after December 31, 2022, the
amount that may be claimed per qualifying acre under par. (b) shall be $10.

SECTION 7. 71.613 (2) (c) of the statutes is amended to read:
71.613 (2) (c) Five dollars Except as provided in par. (cm), $5, if the qualifying acres are subject to a farmland preservation agreement that is entered into after July 1, 2009, but are not located in a farmland preservation zoning district.

**SECTION 8.** 71.613 (2) (cm) of the statutes is created to read:

71.613 (2) (cm) For taxable years beginning after December 31, 2022, the amount that may be claimed per qualifying acre under par. (c) shall be $10.

**SECTION 9.** 71.613 (2) (d) of the statutes is created to read:

71.613 (2) (d) For taxable years beginning after December 31, 2022, $10, if the qualifying acres are subject to sub. (1) (h) 4., but only to the extent that such acres are covered by an agricultural conservation easement purchased under s. 93.73.

**SECTION 10.** 71.613 (2e) of the statutes is created to read:

71.613 (2e) INDEXING FOR INFLATION. (a) Except as provided in par. (b), in August 2024, and every August thereafter, the department, in consultation with the department of agriculture, trade and consumer protection, shall increase the dollar amounts in sub. (2) (am), (bm), (cm), and (d) by a percentage equal to the percentage change over the previous 12 months of an index of prices paid by farmers, as determined by the national agricultural statistics service of the U.S. department of agriculture. The adjustment may occur only if the resulting dollar amounts are greater than the corresponding amounts that were calculated for the previous year. If an adjustment is not made in a previous year due to a negative change in the index, any subsequent adjustment shall be based on the percentage change in the index since August of the year that an adjustment under this paragraph last occurred, except that following a negative change in the index, no adjustment may occur under this paragraph until the current level of the index exceeds the highest level that the index had previously reached.
(b) In August 2024, and every August thereafter, if the department is unable to make the adjustment described in par. (a) for a reason other than the resulting dollar amounts not being greater than the corresponding amounts calculated for the previous year, the department shall increase the dollar amounts in sub. (2) (am), (bm), (cm), and (d) by a percentage equal to the percentage change over the previous 12 months of the consumer price index for all urban consumers, U.S. city average, as determined by the U.S. department of labor. The adjustment may occur only if the resulting dollar amounts are greater than the corresponding amounts that were calculated for the previous year.

SECTION 11. 91.04 (intro.) of the statutes is amended to read:

91.04 Department to report. (intro.) At least once every 2 years, beginning not later than December 31, 2011, the department shall submit a farmland preservation report to the joint committee on finance, the standing committees of the legislature with jurisdiction over agriculture under s. 13.172 (3), and the board of agriculture, trade and consumer protection and provide copies of the report to the department of revenue and the department of administration. The department shall prepare the report in cooperation with the department of revenue and shall include all of the following in the report:

SECTION 12. 91.04 (2) (bm) of the statutes is created to read:

91.04 (2) (bm) The amount of the tax credits per qualifying acre, and the recommendations of the department for the tax credit amounts.

SECTION 13. 91.62 (1) (a) of the statutes is amended to read:

91.62 (1) (a) Specifies a term of at least 15 10 years.