



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-2210/1
KP&MCP:amn

2023 SENATE BILL 134

March 23, 2023 - Introduced by Senators TESTIN, TAYLOR, PFAFF, SPREITZER, BALLWEG, HESSELBEIN, MARKLEIN, QUINN, SMITH, TOMCZYK, CARPENTER, ROYS and WANGGAARD, cosponsored by Representatives OLDENBURG, NOVAK, SHANKLAND, TRANEL, C. ANDERSON, CONSIDINE, HURD, JACOBSON, MURSAU, SCHMIDT, VANDERMEER, BARE, JOERS, KRUG, NEDWESKI, PENTERMAN and SUBECK. Referred to Committee on Agriculture and Tourism.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to amend* 71.613 (2) (intro.), 71.613 (2) (a), 71.613 (2) (b), 71.613 (2) (c),
2 91.04 (intro.) and 91.62 (1) (a); and *to create* 71.613 (1) (h) 4., 71.613 (2) (am),
3 71.613 (2) (bm), 71.613 (2) (cm), 71.613 (2) (d), 71.613 (2e) and 91.04 (2) (bm) of
4 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.

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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:

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

2 71.613 (1) (h) 4. The farm is wholly or partially covered by an agricultural
3 conservation easement purchased under s. 93.73, except that if the farm is only
4 partially covered, the qualifying acres calculation includes only those acres that are
5 covered by the agricultural conservation easement and located in a farmland
6 preservation area, as defined in s. 91.01 (16), at the end of the taxable year to which
7 the claim relates.

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

9 71.613 (2) **FILING CLAIMS.** (intro.) Subject to sub. (2e) and the limitations and
10 conditions provided in sub. (3), a claimant may claim as a credit against the tax
11 imposed under s. 71.02, 71.23, or 71.43, an amount calculated by multiplying the

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1 claimant's qualifying acres by one of the following amounts, and if the allowable
2 amount of the claim exceeds the income taxes otherwise due on the claimant's income
3 or if there are no Wisconsin income taxes due on the claimant's income, the amount
4 of the claim not used as an offset against income taxes shall be certified by the
5 department of revenue to the department of administration for payment to the
6 claimant by check, share draft, or other draft from the appropriation under s. 20.835
7 (2) (do):

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

9 71.613 (2) (a) ~~Ten dollars~~ Except as provided in par. (am), \$10, if the qualifying
10 acres are located in a farmland preservation zoning district and are also subject to
11 a farmland preservation agreement that is entered into after July 1, 2009.

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

13 71.613 (2) (am) For taxable years beginning after December 31, 2022, the
14 amount that may be claimed per qualifying acre under par. (a) shall be \$12.50.

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

16 71.613 (2) (b) ~~Seven dollars and 50 cents~~ Except as provided in par. (bm), \$7.50,
17 if the qualifying acres are located in a farmland preservation zoning district but are
18 not subject to a farmland preservation agreement that is entered into after July 1,
19 2009.

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

21 71.613 (2) (bm) For taxable years beginning after December 31, 2022, the
22 amount that may be claimed per qualifying acre under par. (b) shall be \$10.

23 **SECTION 7.** 71.613 (2) (c) of the statutes is amended to read:

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1 71.613 (2) (c) ~~Five dollars~~ Except as provided in par. (cm), \$5, if the qualifying
2 acres are subject to a farmland preservation agreement that is entered into after July
3 1, 2009, but are not located in a farmland preservation zoning district.

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

5 71.613 (2) (cm) For taxable years beginning after December 31, 2022, the
6 amount that may be claimed per qualifying acre under par. (c) shall be \$10.

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

8 71.613 (2) (d) For taxable years beginning after December 31, 2022, \$10, if the
9 qualifying acres are subject to sub. (1) (h) 4., but only to the extent that such acres
10 are covered by an agricultural conservation easement purchased under s. 93.73.

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

12 71.613 (2e) INDEXING FOR INFLATION. (a) Except as provided in par. (b), in
13 August 2024, and every August thereafter, the department, in consultation with the
14 department of agriculture, trade and consumer protection, shall increase the dollar
15 amounts in sub. (2) (am), (bm), (cm), and (d) by a percentage equal to the percentage
16 change over the previous 12 months of an index of prices paid by farmers, as
17 determined by the national agricultural statistics service of the U.S. department of
18 agriculture. The adjustment may occur only if the resulting dollar amounts are
19 greater than the corresponding amounts that were calculated for the previous year.
20 If an adjustment is not made in a previous year due to a negative change in the index,
21 any subsequent adjustment shall be based on the percentage change in the index
22 since August of the year that an adjustment under this paragraph last occurred,
23 except that following a negative change in the index, no adjustment may occur under
24 this paragraph until the current level of the index exceeds the highest level that the
25 index had previously reached.

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1 (b) In August 2024, and every August thereafter, if the department is unable
2 to make the adjustment described in par. (a) for a reason other than the resulting
3 dollar amounts not being greater than the corresponding amounts calculated for the
4 previous year, the department shall increase the dollar amounts in sub. (2) (am),
5 (bm), (cm), and (d) by a percentage equal to the percentage change over the previous
6 12 months of the consumer price index for all urban consumers, U.S. city average,
7 as determined by the U.S. department of labor. The adjustment may occur only if the
8 resulting dollar amounts are greater than the corresponding amounts that were
9 calculated for the previous year.

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

11 **91.04 Department to report.** (intro.) At least once every 2 years, beginning
12 not later than December 31, 2011, the department shall submit a farmland
13 preservation report to the joint committee on finance, the standing committees of the
14 legislature with jurisdiction over agriculture under s. 13.172 (3), and the board of
15 agriculture, trade and consumer protection and provide copies of the report to the
16 department of revenue and the department of administration. The department shall
17 prepare the report in cooperation with the department of revenue and shall include
18 all of the following in the report:

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

20 91.04 (2) (bm) The amount of the tax credits per qualifying acre, and the
21 recommendations of the department for the tax credit amounts.

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

23 91.62 (1) (a) Specifies a term of at least ~~15~~ 10 years.

24 (END)