

# Special Agricultural Homestead

4A

Property Tax Fact Sheet 4A

Fact Sheet

## What is a Special Agricultural Homestead?

The Special Agricultural Homestead provision extends homestead status to property owners who do not live on their farm but actively farm their land or who have a spouse or a child who actively farms the land. Homestead status can result in lower property taxes than property that is not homesteaded. If the land is rented, please see Fact Sheet 4B: "Special Agricultural Homestead Property Owned or Leased by a Qualified Entity."

## Does my property qualify?

Farm property may be classified as an agricultural homestead if certain criteria are met. The agricultural property in question must be at least 40 acres.

The person who owns the farm must:

- be a Minnesota resident;
- not claim another Minnesota agricultural homestead and neither can their spouse; and
- live within four townships or cities of the property.

The person who is actively farming the land must:

- be a Minnesota resident;
- live within four townships or cities of the property; and
- own the land, or be the spouse of the owner, the child of the owner or the child of the owner's spouse. The relationship can be by marriage or blood.

Owners who actively farm their land and live farther away than four townships or cities from the farm may still qualify if either the owner's employer or their spouse's employer requires them to live in employer-provided housing that is more than four townships or cities away from the farm.

## What does actively farming mean?

A person actively farming must participate in the day-to-day labor, decision making, and management of the claimed homestead. They also must assume all or part of the financial risks of the farm. The person does not have to live on the farm.

Actively farming does **NOT** include:

- Allowing someone other than the owner's spouse, the child of the owner or the child of the owner's spouse to farm the land.
- Just driving a truck to pick up supplies.
- Just "doing the books."

## What do I need to apply?

- An application form, which is available from your county assessor's office.
- The Farm Service Agency (FSA) number of the person actively farming.
- Form 156 EZ from the FSA for the person actively farming.
- The Schedule F form or equivalent partnership/corporation form that was filed with the federal income tax return of the person actively farming. An affidavit from your tax preparer or attorney verifying that you have filed the form can be substituted instead of the form.

## Other important information

You must file the Special Agricultural Homestead application every year by **December 15**. It is recommended that you file near the end of the crop year.

The application must be filed in each county in which homestead is requested. If your property crosses a county line, then make sure to apply in each county. The assessor's office will accept copies of the application so you don't have to fill out the form twice.

If you have further questions, please contact your county assessor's office.