

1.1 Senator ..... moves to amend S.F. No. 1228 as follows:

1.2 Page 2, delete lines 17 to 26 and insert:

1.3 "(f) Notwithstanding subdivision 1, paragraph (c), for purposes of the credit for the sale  
1.4 of an agricultural asset under paragraph (a), clause (1), the family member definitional  
1.5 exclusions in subdivision 1, paragraph (c), clauses (4) and (5), do not apply.

1.6 (g) For a qualifying sale to a family member, to qualify for the credit under paragraph  
1.7 (a), clause (1), the sale price of the agricultural asset must equal or exceed the assessed  
1.8 value of the asset as of the date of the sale. If there is no assessed value, the sale price must  
1.9 equal or exceed 80 percent of the fair market value of the asset as of the date of the sale.

1.10 (h) For the purposes of this section, "qualifying sale to a family member" means a sale  
1.11 to a beginning farmer in which the beginning farmer or the beginning farmer's spouse is a  
1.12 family member of:

1.13 (1) the owner of the agricultural asset; or

1.14 (2) a partner, member, shareholder, or trustee of the owner of the agricultural asset.

1.15 (i) For a sale to a socially disadvantaged farmer or rancher, the credit rate under paragraph  
1.16 (a), clause (1), is ten percent rather than five percent. For the purposes of this section,  
1.17 "socially disadvantaged farmer or rancher" has the meaning given in United States Code,  
1.18 title 7, section 2279(a)(5)."

1.19 Page 2, line 28, delete "2020" and insert "2021, and before January 1, 2030"

1.20 Page 2, after line 28, insert:

1.21 "Sec. 2. Minnesota Statutes 2020, section 41B.0391, subdivision 4, is amended to read:

1.22 Subd. 4. **Authority duties.** (a) The authority shall:

1.23 (1) approve and certify or recertify beginning farmers as eligible for the program under  
1.24 this section;

1.25 (2) approve and certify or recertify owners of agricultural assets as eligible for the tax  
1.26 credit under subdivision 2 subject to the allocation limits in paragraph (c);

1.27 (3) provide necessary and reasonable assistance and support to beginning farmers for  
1.28 qualification and participation in financial management programs approved by the authority;

1.29 (4) refer beginning farmers to agencies and organizations that may provide additional  
1.30 pertinent information and assistance; and

2.1 (5) notwithstanding section 41B.211, the Rural Finance Authority must share information  
2.2 with the commissioner of revenue to the extent necessary to administer provisions under  
2.3 this subdivision and section 290.06, subdivisions 37 and 38. The Rural Finance Authority  
2.4 must annually notify the commissioner of revenue of approval and certification or  
2.5 recertification of beginning farmers and owners of agricultural assets under this section.  
2.6 For credits under subdivision 2, the notification must include the amount of credit approved  
2.7 by the authority and stated on the credit certificate.

2.8 (b) The certification of a beginning farmer or an owner of agricultural assets under this  
2.9 section is valid for the year of the certification and the two following years, after which  
2.10 time the beginning farmer or owner of agricultural assets must apply to the authority for  
2.11 recertification.

2.12 (c) For credits for owners of agricultural assets allowed under subdivision 2, the authority  
2.13 must not allocate more than \$5,000,000 for taxable years beginning after December 31,  
2.14 2017, and before January 1, 2019, and must not allocate more than \$6,000,000 for taxable  
2.15 years beginning after December 31, 2018. The authority must allocate credits on a first-come,  
2.16 first-served basis beginning on January 1 of each year, except that recertifications for the  
2.17 second and third years of credits under subdivision 2, paragraph (a), clauses (1) and (2),  
2.18 have first priority. Any amount authorized but not allocated in any taxable year does not  
2.19 cancel and is added to the allocation for the next taxable year.

2.20 (d) For taxable years beginning after December 31, 2021, the amount available to be  
2.21 allocated for the taxable year under paragraph (c) is reduced by five percent. Beginning in  
2.22 fiscal year 2023, an amount equal to the reduction under this paragraph is annually  
2.23 appropriated from the general fund to the Rural Finance Authority to develop an online  
2.24 application system and administer the credits under this section. The amount of the  
2.25 appropriation for a fiscal year must be determined based on the reduction for taxable years  
2.26 beginning after December 31 of the previous fiscal year, and before January 1 of the fiscal  
2.27 year of the appropriation. The Rural Finance Authority must disregard amounts carried  
2.28 forward from previous taxable years when calculating the reduction under this paragraph.

2.29 **EFFECTIVE DATE.** This section is effective for taxable years beginning after December  
2.30 31, 2021, and before January 1, 2030.

2.31 Sec. 3. Minnesota Statutes 2020, section 41B.0391, subdivision 7, is amended to read:

2.32 Subd. 7. **Sunset.** This section expires for taxable years beginning after December 31,  
2.33 ~~2023~~ 2029.

- 3.1 **EFFECTIVE DATE.** This section is effective the day following final enactment.
- 3.2 Amend the title accordingly