

SENATE
STATE OF MINNESOTA
NINETY-FOURTH SESSION

S.F. No. 1428

(SENATE AUTHORS: WEBER, Westrom, Putnam, Gustafson and Kupec)		
DATE	D-PG	OFFICIAL STATUS
02/17/2025	400	Introduction and first reading
		Referred to Agriculture, Veterans, Broadband, and Rural Development
03/24/2025	982a	Comm report: To pass as amended and re-refer to Taxes

1.1

A bill for an act

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relating to agriculture; expanding eligibility for beginning farmer tax credits;

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amending Minnesota Statutes 2024, section 41B.0391, subdivision 1.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. Minnesota Statutes 2024, section 41B.0391, subdivision 1, is amended to read:

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Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have

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the meanings given.

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(b) "Agricultural assets" means agricultural land, livestock, facilities, buildings, and

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machinery used for farming in Minnesota.

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(c) "Beginning farmer" means an individual, a limited liability company owned by an

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individual, or a limited liability company owned by up to two individuals who are spouses

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or family members who:

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(1) is a resident of Minnesota;

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(2) is seeking entry, or has entered within the last ten years, into farming;

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(3) intends to farm land located within the state borders of Minnesota;

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(4) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a

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family member of the owner of the agricultural assets from whom the beginning farmer is

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seeking to purchase or rent agricultural assets;

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(5) except as provided in subdivision 2, paragraph (f), is not and whose spouse is not a

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family member of a partner, member, shareholder, or trustee of the owner of agricultural

2.1 assets from whom the beginning farmer is seeking to purchase or rent agricultural assets;
2.2 and

2.3 (6) meets the following eligibility requirements as determined by the authority:

2.4 (i) has a net worth that does not exceed the limit provided under section 41B.03,
2.5 subdivision 3, paragraph (a), clause (2);

2.6 (ii) provides the majority of the day-to-day physical labor and management of the farm;

2.7 (iii) has, by the judgment of the authority, adequate farming experience or demonstrates
2.8 knowledge in the type of farming for which the beginning farmer seeks assistance from the
2.9 authority;

2.10 (iv) demonstrates to the authority a profit potential by submitting projected earnings
2.11 statements;

2.12 (v) asserts to the satisfaction of the authority that farming will be a significant source
2.13 of income for the beginning farmer;

2.14 (vi) is enrolled in or has completed within ten years of their first year of farming a
2.15 financial management program approved by the authority or the commissioner of agriculture;

2.16 (vii) agrees to notify the authority if the beginning farmer no longer meets the eligibility
2.17 requirements within the three-year certification period, in which case the beginning farmer
2.18 is no longer eligible for credits under this section; and

2.19 (viii) has other qualifications as specified by the authority.

2.20 The authority may waive the requirement in item (vi) if the participant requests a waiver
2.21 and has a four-year degree in an agricultural program or related field, reasonable agricultural
2.22 job-related experience, or certification as an adult farm management instructor.

2.23 (d) "Emerging farmer" means an emerging farmer within the meaning of section 17.055,
2.24 subdivision 1.

2.25 (e) "Family member" means a family member within the meaning of the Internal Revenue
2.26 Code, section 267(c)(4).

2.27 (f) "Farm product" means plants and animals useful to humans and includes, but is not
2.28 limited to, forage and sod crops, oilseeds, grain and feed crops, dairy and dairy products,
2.29 poultry and poultry products, livestock, fruits, and vegetables.

2.30 (g) "Farming" means the active use, management, and operation of real and personal
2.31 property for the production of a farm product.

(h) "Owner of agricultural assets" means an individual, trust, or pass-through entity that is the owner in fee of agricultural land or has legal title to any other agricultural asset. Owner of agricultural assets does not mean an equipment dealer, livestock dealer defined in section 17A.03, subdivision 7, or comparable entity that is engaged in the business of selling agricultural assets for profit and that is not engaged in farming as its primary business activity. An owner of agricultural assets approved and certified by the authority under subdivision 4 must notify the authority if the owner no longer meets the definition in this paragraph within the three year certification period and is then no longer eligible for credits under this section.

(i) "Resident" has the meaning given in section 290.01, subdivision 7.

(j) "Share rent agreement" means a rental agreement in which the principal consideration given to the owner of agricultural assets is a predetermined portion of the production of farm products produced from the rented agricultural assets and which provides for sharing production costs or risk of loss, or both.