Overview

Provides for a program of agricultural tax relief for 2000, for farms located in certain named counties in northwest Minnesota. Farmers will receive a payment equal to $4 for each acre having the condition referred to as "prevented planting." The maximum payment is $5,600. Payments will be made to farmers who rent farmland, as well as owner-operators. Payments will be pro-rated among partners according to percentage of risk when multiple parties are involved in the operation of the farm. This agricultural assistance is similar in design (i.e., definitions, applications, payments, etc.) to the agricultural assistance program of 1999.

1 Agricultural Assistance in 2000.

Subd. 1. Paragraph (a). Definition.

Paragraph (b). "Acre" means an acre of effective agricultural use land within a qualified county as reported to the farm service agency on form 156EZ, that in crop year 1999 had the condition referred to as "prevented planting."

Paragraph (c). "Commissioner" means the commissioner of revenue.

Paragraph (d). "Effective agricultural use land" means land suitable for growing an agricultural crop and excludes land enrolled in the conservation reserve program (CRP) or the water bank program.

Paragraph (e). "Farm" or "farm operation" means an agricultural production operation that has a unique farm number as reported on the form 156EZ to the farm service agency, including at least 40 acres of effective agricultural use land.

Paragraph (f). "Farm operator" means a person identified as the operator of a farm on form 156EZ filed with the farm service agency.

Paragraph (g). "Farm service agency (FSA)" means the United States Farm Service Agency.

Paragraph (h). "Farmer" or "farmer at risk" means a person who produces an
agricultural crop and is certified by FSA as bearing a percentage of the risk for the farm operation.

Paragraph (i). "Person" includes individuals, fiduciaries, estates, trusts, partnerships, joint ventures, and corporations.

Paragraph (j). "Qualified counties" means Kittson, Marshall, Pennington, Polk, Red Lake, and Roseau counties.

Subd. 2. Payment to farmers. Provides that every farm operator may apply to the commissioner for a payment for every farm that they operate in a qualified county for crop year 1999, as certified by the FSA by December 31, 1999. The payment, made to each farmer at risk, equals $4 multiplied by the number of acres of the farm operation, multiplied by the percentage of risk borne by that farmer for that farm operation. The commissioner shall prepare application forms and make them available. The farmer must include with the application, and social security number or federal employer ID number, a certification from FSA of the number of acres farmed, including any percentage of risk for particular acres. The commissioner shall make the payment by June 30, 2000, to each eligible farmer who applies by May 31, 2000, or within 30 days of the application if it is received after May 31, 2000. Applications will not be accepted after September 30, 2000.

Subd. 3. Alternate qualification. Paragraph (a). Provides that if an agricultural production operation does not meet the definition of a farm solely because (1) the farm operator had not filed a form 156EZ with FSA, (2) there was an error in the FSA's records, or (3) an operator operates more than one farm and the qualifying acres is less than 40 acres on each farm, but the combined acres is at least 40 acres, the commissioner may allow the farm operator to apply for a payment under subdivision 2 after providing whatever information the commissioner needs to determine the number of acres of eligible crop land.

Paragraph (b). Provides that if the number of acres of effective agricultural use land for crop year 1999 for a farm is greater than indicated on FSA's records, the commissioner may allow a farm operator to apply for a payment on the higher acreage, after furnishing the commissioner the necessary information.

Paragraph (c). Provides that a person who produced an agricultural crop or livestock in 1999 and bore a portion of the risk for the farm operation and does not meet the definition of farmer because the information was not reported to the FSA, or because of an error in the FSA's records, the commissioner may allow the farmer to be included on an application for payment under subdivision 2 after providing the necessary information to the commissioner.

Subd. 4. Limit. Provides that no person may receive a payment under subdivision 2 that exceeds $5,600.

Subd. 5. Application of other laws. Provides that the payments under subdivision 2 are a "Minnesota tax law" for purposes of data practices rules.

Subd. 6. Remedies. Allows a farmer that is denied a refund to appeal that denial under the general provisions allowing for claims for tax refunds.

Subd. 7. Interest. Provides that payments under this article shall bear interest at the interest rate used for refunds of state taxes, from the later of the payment dates specified or 75 days after a complete payment application was filed.

Subd. 8. Penalties. Provides that if the claims for payment were excessive and were filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed must be recovered by assessment and collection procedure, within two years after a check is cashed, except in the case of theft or forgery. The assessment may be appealed
administratively and judicially.

2 **Appropriation.** Appropriates the amount necessary to make the payments for the farm tax relief under section 1, subdivision 2, to the commissioner of revenue for fiscal year 2000 from the general fund, and allows the amounts to be expended until June 30, 2001.

3 **Effective date.** Effective the day following final enactment.