

RE: FARM RESIDENCE EXEMPTION APPLICATION (FRE)

It is that time of the year again when I need to collect the Farm Residence Exemption applications.

Lawmakers during the 2019 Legislative Session made a major change to the Farm Residence Exemption. The changes broaden eligibility but **requires annual farm income verification** to qualify.

The changes are:

- Eligible if: 66% of gross income from farming (applicant & spouse) during any one of the two preceding calendar years.
- Removes the \$40,000 limit for non-farm income (including spouse's salary).
- Requires applicant to complete state form providing income information to demonstrate eligibility.
- **Annual** application process.

The biggest change is in the active farmer category, if you choose the Active Farmer, the farmer and spouse if married, must have received 66% or more of their combined annual gross income from farming activities in any one of the two preceding calendar years. This applies whether you file joint or separate federal income tax returns.

Check only one of the six categories on the application that applies to the occupant and answer the questions.

When the residence owner and residence occupant are different, the **residence owner** completes the **Application** and the **residence occupant** completes the **Statement of Farm Gross Income**. Please work together to ensure deadlines are being met. **Both need to be filed every year.**

The **Farm Exempt Application** is completed by the **owner**, signed and returned by **February 1st of every year.** The **Statement of Farm Gross Income** (fill out on-line) **must be completed by the occupant of the residence, signed and returned by March 31st of every year.**

Summary of required forms to be completed and signed:

Active Farmer or Beginning Farmer Category:

Owner & Occupant - Application for Farm Residence Tax Exemption **and** Statement of Farm Gross Income

Owner - Application

Occupant - Statement of Farm Gross Income

Farm Laborer Category: To justify residence, a copy of your W-2 will provide proof that you do in fact earn your income from said farm.

Vacant Residence, Retired Farmer or Surviving Spouse category: I need only the **completed** Application returned.

If you have more than one house, please let me know so I can get you another application. **I will need a separate form for each residence.**

You can access the actual worksheets online at: www.nd.gov/tax/ then click on I AM, LOCAL GOVERNMENT, PROPERTY TAX CREDITS, APPLICATION for FARM RESIDENCE EXEMPTION and/or STATEMENT OF FARM GROSS INCOME

When you open the Statement of Farm Gross income, enable editing, click on the instructions, click again on the instructions and there will be 5 pages of helpful guidelines.

You can have your Tax Accountant or your Bank Financial Advisor assist to complete the **Statement of Farm Gross Income**. However, the occupant has to sign to certify those numbers. The income worksheet is only available online since there are formulas built in to do the calculating for you. This form can then be printed, signed and mailed in, dropped off or emailed to my office. **Please do not send in hand written Statements of Farm Gross Income worksheets, I will not accept them. If you need assistance in completing the statement, stop in the office and I can help you fill it out on-line. I will need your income tax information. It is best to call and make sure I am in the office.**

If you choose not to apply or turn your documents in on time, it will be assumed by this office that your residence does not qualify. We will then assess your house and it will be added to the tax roll.

If there are further questions, please call the Tax Director's office (701) 883-6021 or email at deporter@nd.gov

Thank you for your cooperation,

Denice Porter 701-883-6021
deporter@nd.gov
LaMoure County Tax Director

ALL FINANCIAL INFORMATION RECEIVED IS CONFIDENTIAL!