



APPLICATION FOR FARM RESIDENCE PROPERTY TAX EXEMPTION
 OFFICE OF STATE TAX COMMISSIONER
 SFN 24737 (9-2019)

For farm residence property tax exemption under N.D.C.C. § 57-02-08(15), effective for property tax years 2020 and after.

Name of Property Owner	Property (Parcel) Number
Name of Occupant, if Different from Owner	Legal Description of Property
Property Address	

See separate instructions

A. Enter the calendar year for which the exemption is being requested _____

B. Check the box for the category under which the exemption is being requested and answer the question(s):

Active farmer category

- Is the residence located on a tract or contiguous tracts of agricultural land containing 10 or more acres farmed by the occupant? Yes No
- Is the major portion of the occupant's time devoted to farming activities? Yes No
- Is the annual gross income from farming activities of the occupant and spouse, if married, 66% or more of their total annual gross income in either of the two preceding calendar years?..... Yes No
- Has a **Statement of Farm Gross Income** been completed for either of the two preceding calendar years? ... Yes No
 - If yes, submit the statement with this application.
 - If no, a statement must be completed and either submitted with this application or submitted separately no later than March 31 of the calendar year for which the exemption is being requested.

Vacant residence category

- Is the residence intended for use as a farm residence?..... Yes No
- Was the residence last used as a farm residence or as part of a farm plant?..... Yes No

Farm laborer residence category

Is the residence being used as part of a farm plant to provide housing for that farmer's worker(s)? Yes No

Retired farmer category

Is the residence occupied by an individual who (1) is retired because of illness or age and (2) owned and occupied the residence as a farmer at the time of retirement?..... Yes No

Beginning farmer category

- Is the residence occupied by an individual who began occupancy and operation of a farm in either of the two preceding calendar years?..... Yes No
- Is the major portion of the occupant's time devoted to farming activities? Yes No
- Did the occupant have **no** income or loss from farming activity in either of the two preceding calendar years? Yes No

Surviving spouse category

- Is the residence occupied by the surviving spouse of an individual who, at the time of death, occupied the residence as a qualified farmer? Yes No
- Was the deceased spouse an active farmer at the time of death? Yes No
- Was the deceased spouse a retired farmer at the time of death? Yes No
- Deceased spouse's date of death _____

I declare under penalty of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making false statement in a governmental matter, that this application is true, correct, and complete.		For Assessor or Director of Tax Equalization only	
Signature of Property Owner		Application is: <input type="checkbox"/> Approved <input type="checkbox"/> Not approved	
Date	Signature of Assessor or Director of Tax Equalization	Date	

Application For Farm Residence Property Tax Exemption Instructions

SFN 24737 (9-2019)

Purpose of form

Use this application form to apply for either of the following two farm residence property tax exemptions:

- Farmer's residence exemption under N.D.C.C. § 57-02-08(15)(b).
- Farm worker residence exemption under N.D.C.C. § 57-02-08(15)(a).

A new application form must be filed each year to continue the exemption.

Eligible residence

The residence must be located on a farm for purposes of the farmer's residence exemption or on agricultural land as part of a farm plant for purposes of the farm worker residence exemption. Following are special situations in which a residence is eligible or not eligible for exemption.

Residence on unplatted land. A residence located on unplatted land within the boundaries of an incorporated city is eligible for exemption if it (1) is located on agricultural land, (2) is used as a farmer's residence or is part of a farm plant, and (3) otherwise satisfies the exemption requirements.

Residence on platted land. A residence located on platted land within the boundaries of an incorporated city or on railroad operating property is not eligible for exemption.

Bed and breakfast. A residence in which a bed and breakfast is operated is eligible for exemption provided the farmer resides in it and the other requirements for exemption are satisfied.

Vacant residence. A vacant residence is eligible for exemption if, at the time it was last occupied or used, it was exempt as a farmer's residence or as part of a farm plant. A vacant residence becomes ineligible for exemption upon non-qualifying occupation or use.

Farm worker residence exemption

A residence is eligible for exemption from property tax as a farm structure under N.D.C.C. § 57-02-08(15)(a) if all of the following conditions apply:

- It is located on agricultural lands.
- It is part of a farm plant.
- It is used to provide housing for an employee who is paid wages as a farm worker.

Farmer's residence exemption

A residence is eligible for exemption from property tax under N.D.C.C. § 57-02-08(15)(b) if it is located on a farm and is occupied or used by a farmer.

Farm

The term "farm" means a single tract or contiguous tracts of land containing 10 or more acres on which a farmer carries on operations normally associated with farming and ranching.

Farmer

The term "farmer" means an individual who satisfies the following requirements:

- The individual normally devotes the major portion of his or her time to the activities of producing, in their unmanufactured state, products of the soil (except marijuana grown under N.D.C.C. ch. 19-24.1), dairy farming, poultry, or livestock (including nontraditional livestock defined under N.D.C.C. § 36-01-00.1).
- The individual and spouse, if married, received annual gross income from farming activities which is 66% or more of their annual gross income during either of the two preceding calendar years.

The individual must complete and provide a *Statement of Farm Gross Income* to demonstrate compliance with this requirement. See "Statement of Farm Gross Income" later in these instructions.

The above requirements describe an active farmer. Subject to certain conditions, the term "farmer" also includes a beginning farmer, retired farmer, and surviving spouse of a farmer, each of which is described below.

Beginning farmer. A "beginning farmer" means an individual who begins occupation and operation of a farm to which he or she normally devotes the major portion of time to farming and who did not have any income or loss from a farm operation in either of the two preceding calendar years.

Retired farmer. A "retired farmer" means an individual living in the residence who is retired because of illness or age and owned and occupied the residence as a farmer at the time of retirement. It

does not include an individual who quit farming to change occupations. A retired farmer's residence remains eligible for the exemption even though the farm's acreage decreases below 10 acres after retirement provided the residence qualified for exemption at the time of retirement.

Surviving spouse. A "surviving spouse of a farmer" means an individual living in the residence who is the surviving spouse of a deceased individual who, at the time of death, owned and occupied the residence as a farmer. If the deceased individual was an active farmer at time of death, the exemption is only available for the first five years following the year of death. If the deceased individual was a retired farmer at time of death, the exemption is available for as long as the surviving spouse continuously occupies the residence.

Statement of Farm Gross Income

If an exemption is being applied for under the active farmer requirements, the individual occupying the residence must complete a *Statement of Farm Gross Income* to show compliance with the farm gross income requirement in one of the two calendar years preceding the year for which the exemption is being requested. A married occupant must include the spouse's gross income in the calculation. The source of the farm gross income is not limited to the particular tract or contiguous tracts on which the residence is located; all farm and nonfarm gross income, regardless of source, must be included.

Submit the *Statement of Farm Gross Income* with the application for the farm residence exemption, which is due February 1 of the year for which the exemption is being requested. If the statement cannot be filed with the application form by February 1, it must be submitted no later than March 31 of the year for which the exemption is being requested.

When and where to file

The application must be filed on or before February 1 of the year for which the exemption is being requested. File the application with the assessor's office for the county in which the farm residence is located.



STATEMENT OF FARM GROSS INCOME
 OFFICE OF STATE TAX COMMISSIONER
 SFN 24703 (9-2019)

2019
 CALENDAR YEAR

Farm residence property tax exemption under N.D.C.C. § 57-02-08(15)--This form must be completed and provided to the county in addition to the application form. Use this 2019 form only if basing compliance on farm gross income information for the 2019 calendar year.

See separate instructions

Note to Assessor - This is a **CONFIDENTIAL RECORD**

Occupant and property information

Identify the applicant and property. Property information must match that provided on application form.

1. Name of property owner

4. Property (parcel) number

2. Occupant's name, if different from property owner

5. Legal description of property

3. Property address

Occupant's total gross income from all sources (farm and nonfarm)

If occupant has no gross income for the year, see instructions to line 6. Otherwise, on lines 7 through 24, enter the gross income (farm and nonfarm) from the occupant's 2019 federal income tax return. If occupant is married, the spouse's income must be included.

IMPORTANT--These amounts must match the amounts used to determine if occupant is a farmer for 2019 under the special estimated income tax rules for farmers under Internal Revenue Code § 6654.

6. Zero gross income year. Check this box if occupant has no gross income for the 2019 calendar year.....

Form	Line No.	Description	Gross Income (Farm and nonfarm)
7. Form 1040	1	Wages, salaries, tips, etc.....	7
8. Form 1040	2b	Taxable interest.....	8
9. Form 1040	3b	Ordinary dividends.....	9
10. Form 1040	4b/4d	Taxable IRAs, pensions, and annuities.....	10
11. Form 1040	5b	Taxable social security benefits.....	11
12. Form 1040	6	Capital gains.....	12
13. Form 1040, Sch. 1	1	Taxable refunds, credits, or offsets of state and local income taxes.....	13
14. Form 1040, Sch. 1	2a	Alimony.....	14
15. Form 1040, Sch. 1	4	Other gains from Form 4797.....	15
16. Form 1040, Sch. 1	7	Unemployment compensation.....	16
17. Form 1040, Sch. 1	8	Other income.....	17
18. Schedule C	7	Gross income.....	18
19. Schedule E, Part I	23a	Gross rents from rental properties.....	19
20. Schedule E, Part I	23b	Gross royalties from royalty properties.....	20
21. Schedule E, Part II	32	Gross income from partnerships and S corporations.....	21
22. Schedule E, Part III	37	Gross income from estates and trusts.....	22
23. Schedule F	9	Gross income.....	23
24. Form 4835	7	Gross farm rental income (crop / livestock shares).....	24
25. Total gross income (farm and non-farm). Add lines 7 through 24.....			25 0

26. Total gross income (farm and non-farm). Enter amount from page 1, line 25.....

26	0
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Occupant's gross income from farming activities

On lines 27 through 29, enter the gross income from farming activities from the occupant's 2019 federal income tax return. If occupant is married, the spouse's income gross income from farming activities must be included.

IMPORTANT--These amounts must match the amounts used to determine if the occupant is a farmer for 2019 under the special estimated income tax rules for farmers under Internal Revenue Code § 6654.

Form	Line No.	Description	Farm Gross Income	
27. Schedule F	9	Gross income.....	27	
28. Schedule E, Part V	42	Gross farm income from a partnership, S corporation, estate, trust, and Form 4835.....	28	
29. Form 4797	Various	Gains from sale or exchange of livestock used for draft, dairy, breeding, or sporting purposes.....	29	
30. Gross income from farming activities. Add lines 27 through 29.....			30	0
31. Farm gross income ratio. If line 30 is equal to line 26 (even if amount is zero), the ratio is 100%. Otherwise, divide line 30 by line 26.....			31	100%

- If line 31 is 66% or more, the applicant meets the farm gross income requirement for the calendar year.
- The farm gross income requirement needs to be met in only one of the two calendar years preceding the year for which the farm residence property tax exemption is claimed.

Occupant statement of eligibility

As evidenced by this statement, sixty-six percent or more of my annual gross income (including that of my spouse, if applicable) is from qualifying farming activities for the calendar year for which this statement is filed.

I also declare that, under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, this statement, including any accompanying documentation, has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete statement.

Occupant's signature

Date

Signature of occupant's spouse, if applicable

Date

Due date

This statement must be filed on or before March 31 of the year for which the exemption has been requested.

Where to file

File the completed statement with the assessor's office where the application for the farm residence property tax exemption was filed.