

Special Agricultural Homestead Owned by a Trust

Property Tax Fact Sheet 4C

What is a special agricultural homestead?

A special agricultural homestead gives homestead status to property that is not occupied but is owned under a trust and farmed by a qualifying person. Homestead status can result in lower property taxes than property that is not homesteaded.

What property qualifies?

Farm property may be classified as an agricultural homestead if the following criteria are met:

- The agricultural property in question must be at least 40 acres.
- The grantor who **owns** the farm must:
 - be a Minnesota resident;
 - not claim another Minnesota agricultural homestead and neither can their spouse;
 - live within four townships or cities of the agricultural property.
- The person who is **actively farming** the land must:
 - be a Minnesota resident;
 - live within four townships or cities of the agricultural property;
 - be the grantor of the trust which owns the land or be a qualifying relative of the grantor or grantor's spouse.

Note: a qualifying relative is allowed to farm the land on behalf of their own entity.

- If the property is operated by a non-qualifying relative's entity, then the **grantor must be a member** of that farming entity for the property to qualify.

What does "actively farming" mean?

A person actively farming must participate in the day-to-day labor, decision making, and management of the claimed homestead. They also must assume all or part of the financial risks of the farm. The person does not have to live on the farm.

What do I need to apply?

- An application form, which is available from your county assessor's office.
- Your assessor may also request:
 - Federal form 156 EZ from the Farm Service Agency
 - Schedule F or an equivalent form. You may substitute an affidavit from your tax preparer or attorney verifying that you filed the form.
- Articles of Incorporation that identifies the grantor of the trust.
- Contact your county assessor's office to see if you need to attach any additional documentation

Application Requirements

You must file the initial special agricultural homestead application **by December 15**. It is recommended that you file near the end of the crop year.

If you have agricultural property in more than one county, make sure to **apply** in each county.

If you have further questions, please contact your county assessor's office.