



General Assembly

January Session, 2015

Committee Bill No. 6375

LCO No. 4695



Referred to Committee on VETERANS' AFFAIRS

Introduced by:
(VA)

AN ACT ESTABLISHING A VETERANS TO AGRICULTURE PROGRAM.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subdivision (63) of section 12-412 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (63) (A) Sales of and the storage, use or other consumption of
5 tangible personal property exclusively for use in agricultural
6 production, as defined in this subsection, by a farmer engaged in
7 agricultural production as a trade or business and to whom the
8 Department of Revenue Services has issued a farmer tax exemption
9 permit, provided such farmer's gross income from such agricultural
10 production, as reported for federal income tax purposes, shall have
11 been (i) not less than two thousand five hundred dollars for the
12 immediately preceding taxable year, or (ii) on average, not less than
13 two thousand five hundred dollars for the two immediately preceding
14 taxable years.

15 (B) The Commissioner of Revenue Services shall adopt regulations

16 in accordance with chapter 54 requiring periodic registration for
17 purposes of the issuance of farmer tax exemption permits, including (i)
18 a procedure related to the application for such permit, such application
19 to include a declaration, prescribed as to form by the Commissioner of
20 Revenue Services and bearing notice to the effect that false statements
21 made in such declaration are punishable, to be signed by the applicant,
22 and (ii) a form of notice concerning the penalty for misuse of such
23 permit.

24 (C) As used in this subsection, (i) "agricultural production" means
25 engaging, as a trade or business, in (I) the raising and harvesting of
26 any agricultural or horticultural commodity, (II) dairy farming, (III)
27 forestry, (IV) the raising, feeding, caring for, shearing, training or
28 management of livestock, including horses, bees, poultry, fur-bearing
29 animals or wildlife or (V) the raising and harvesting of fish, oysters,
30 clams, mussels or other molluscan shellfish; and (ii) "farmer" means
31 any person engaged in agricultural production as a trade or business.

32 (D) The Department of Revenue Services may issue a farmer tax
33 exemption permit to a farmer, notwithstanding the fact that, in the
34 farmer's immediately preceding taxable year, such farmer's gross
35 income from agricultural production engaged in as a trade or business
36 may have been less than two thousand five hundred dollars, provided
37 (i) such farmer purchased, during such farmer's current or
38 immediately preceding taxable year, an agricultural trade or business
39 from a seller who was issued a farmer tax exemption permit by such
40 department at the time of such purchase and [(ii)] such agricultural
41 production shall be carried on as a trade or business by such purchaser
42 during the period commencing upon the purchase and ending two
43 years after the date of purchase, or (ii) such farmer is a veteran, as
44 defined in section 27-103, who has never engaged in agricultural
45 production or who has engaged in agricultural production for less
46 than two years. Such purchaser shall be liable for the tax otherwise
47 imposed, during the period commencing upon such purchase and
48 ending two years after the date of purchase, if such agricultural

49 production is not carried on as a trade or business by such purchaser
50 during the period commencing upon such purchase and ending two
51 years after the date of purchase.

52 (E) (i) The Department of Revenue Services, under such regulations
53 as the Commissioner of Revenue Services may adopt in accordance
54 with the provisions of chapter 54, may issue a farmer tax exemption
55 permit to an applicant, provided such applicant has satisfied the
56 commissioner that the applicant intends to carry on agricultural
57 production as a trade or business for at least two years,
58 notwithstanding the fact that the applicant was not engaged in
59 agricultural production as a trade or business in the immediately
60 preceding taxable year or, if the applicant was engaged in agricultural
61 production as a trade or business in the immediately preceding taxable
62 year, notwithstanding the fact that the applicant's gross income from
63 such agricultural production, as reported for federal income tax
64 purposes, was less than two thousand five hundred dollars for the
65 immediately preceding taxable year or, on average, less than two
66 thousand five hundred dollars for the two immediately preceding
67 taxable years.

68 (ii) Such applicant shall be liable for the tax imposed under this
69 chapter during the period commencing upon the issuance of the
70 permit and ending two years after the date of issuance of the permit if
71 agricultural production is not carried on as a trade or business by such
72 applicant during such entire period.

73 (iii) Such applicant shall also be liable for the tax otherwise
74 imposed, during the period commencing upon the issuance of the
75 permit and ending two years after the date of issuance of the permit, if
76 (I) such applicant's gross income from such agricultural production, as
77 reported for federal income tax purposes, is less than two thousand
78 five hundred dollars for the immediately preceding taxable year or, on
79 average, less than two thousand five hundred dollars for the two
80 immediately preceding taxable years, and (II) such applicant's
81 expenses from such agricultural production, as reported for federal

82 income tax purposes, are less than two thousand five hundred dollars
83 for the immediately preceding taxable year or, on average, less than
84 two thousand five hundred dollars for the two immediately preceding
85 taxable years.

86 (iv) Any applicant liable for tax under clause (ii) or (iii) of this
87 subparagraph shall not be eligible to be issued another permit under
88 clause (i) of this subparagraph.

89 Sec. 2. Section 22-26l of the general statutes is repealed and the
90 following is substituted in lieu thereof (*Effective from passage*):

91 (a) The Department of Agriculture shall establish and administer a
92 Connecticut Farm Link program to establish a database of farmers and
93 agricultural land owners who intend to sell their farm operations or
94 agricultural land. The database shall be maintained by the Department
95 of Agriculture and shall be made available to the public on the
96 department's web site. Persons interested in starting an agricultural
97 business or persons interested in expanding a current agricultural
98 business may notify the department and have their names, contact
99 information and intentions regarding such businesses placed on the
100 web site. The department shall make reasonable efforts to facilitate
101 contact between parties with similar interests, including, but not
102 limited to, growing and processing crops as feedstock for biodiesel
103 heating and transportation fuels. The Department of Agriculture shall
104 collaborate with the Department of Veterans' Affairs and the Labor
105 Department to encourage and assist veterans in starting or expanding
106 an agricultural business and to provide education and training
107 opportunities to veterans concerning farming or agricultural
108 operations.

109 (b) The Department of Agriculture shall post educational materials
110 regarding the Connecticut Farm Link program on the department's
111 web site, including, but not limited to, information regarding farm
112 transfer and farm succession planning, family farm estate planning,
113 farm transfer strategies, farm leasing, formation of farm partnerships,

114 growing and processing crops as feedstock for biodiesel heating and
115 transportation fuels and information regarding starting a farm
116 business.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	12-412(63)
Sec. 2	<i>from passage</i>	22-26l

VA *Joint Favorable*