



House Bill No. 6375

Public Act No. 15-117

AN ACT ESTABLISHING A VETERANS TO AGRICULTURE PROGRAM.

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

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 Subdivision (63) of section 12-412 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

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

(B) The Commissioner of Revenue Services shall adopt regulations in accordance with chapter 54 requiring periodic registration for purposes of the issuance of farmer tax exemption permits, including (i)

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a procedure related to the application for such permit, such application to include a declaration, prescribed as to form by the Commissioner of Revenue Services and bearing notice to the effect that false statements made in such declaration are punishable, to be signed by the applicant, and (ii) a form of notice concerning the penalty for misuse of such permit.

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

(D) The Department of Revenue Services may issue a farmer tax exemption permit to a farmer, notwithstanding the fact that, in the farmer's immediately preceding taxable year, such farmer's gross income from agricultural production engaged in as a trade or business may have been less than two thousand five hundred dollars, provided (i) such farmer purchased, during such farmer's current or immediately preceding taxable year, an agricultural trade or business from a seller who was issued a farmer tax exemption permit by such department at the time of such purchase and [(ii)] such agricultural production shall be carried on as a trade or business by such purchaser during the period commencing upon the purchase and ending two years after the date of purchase. Such purchaser shall be liable for the tax otherwise imposed, during the period commencing upon such purchase and ending two years after the date of purchase, if such agricultural production is not carried on as a trade or business by such purchaser during the period commencing upon such purchase and ending two years after the date of purchase; or (ii) such farmer is a

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veteran, as defined in section 27-103, who has never owned or leased property for the purpose of commercial agricultural production or who has owned or leased property for the purpose of commercial agricultural production for less than two years. Such veteran farmer shall be liable for the tax otherwise imposed, during the period commencing upon issuance of a farmer tax exemption permit pursuant to this subparagraph and ending two years after the date of such issuance, if such agricultural production is not carried on as a trade or business by such veteran farmer during the period commencing upon such issuance and ending two years after the date of such issuance.

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

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

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

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

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

(a) The Department of Agriculture shall establish and administer a Connecticut Farm Link program to establish a database of farmers and agricultural land owners who intend to sell their farm operations or agricultural land. The database shall be maintained by the Department of Agriculture and shall be made available to the public on the department's web site. Persons interested in starting an agricultural business or persons interested in expanding a current agricultural business may notify the department and have their names, contact information and intentions regarding such businesses placed on the web site. The department shall make reasonable efforts to facilitate contact between parties with similar interests, including, but not limited to, growing and processing crops as feedstock for biodiesel heating and transportation fuels. The Department of Agriculture may

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collaborate with the Department of Veterans' Affairs, The University of Connecticut Cooperative Extension Service and the Labor Department to encourage and assist veterans in starting or expanding an agricultural business and to provide education and training opportunities to veterans concerning farming or agricultural operations.

(b) The Department of Agriculture shall post educational materials regarding the Connecticut Farm Link program on the department's web site, including, but not limited to, information regarding farm transfer and farm succession planning, family farm estate planning, farm transfer strategies, farm leasing, formation of farm partnerships, growing and processing crops as feedstock for biodiesel heating and transportation fuels and information regarding starting a farm business.

Approved June 23, 2015