NextGen Tax Credit Program

NextGen is a tax-advantage program administered by the Nebraska Department of Agriculture that seeks to encourage existing farmers to provide longer-term leases to beginning farmers.

As always, if you have specific legal questions, please seek out an attorney.

This handout is not a replacement for sound legal advice!

Eligibility Requirements:

- For the Beginning Farmer:
  - Must be a Nebraska Resident
  - Must have farmed less than ten of the last fifteen years
  - Has less than $175,000 of net worth\(^1\)
  - Must provide the majority of the day-to-day labor and plan to farm/ranch full-time.
  - Must have farming/ranching experience or education, and attend an approved financial management program.

- For the Farm Asset Owner:
  - Must be an individual or trustee, partnership, corporation, LLC, or other entity with an ownership interest in a Nebraska agricultural asset, who is eligible to receive a Nebraska tax credit.
  - Close relatives of the Beginning Farmer are allowed to receive the credit, so long as both parties attend a succession planning workshop, and the asset is included in a written succession plan between the two parties.

Benefits:

- For the Beginning Farmer:
  - Shall receive a three-year lease instead of a year-to-year lease
  - Will receive up to $500 in tax credits to reimburse the cost of the Financial Management class
  - May also apply for the Personal Property Tax Exemption

- For the Farm Asset Owner:
  - Shall receive a refundable tax credit equal to 10% of cash rent, or 15% of share crop rent each year.

Personal Property Tax Exemption:

- Personal property that is used in agriculture may be tax exempt for beginning farmers/ranchers, up to $100,000.
- Apply for an Eligibility Certificate by November 1\(^{st}\) to use the credit in the following year.
- To claim an exemption, take the Eligibility Certificate and tax info to your County Assessor by December 31\(^{st}\).
- This exemption may be used each year for 3 years.

For more information, please visit: http://www.nextgen.nebraska.gov/

\(^1\) Please note, this amount is adjusted annually.