



(i) "**Livestock**" means cattle, hogs, poultry, and sheep.

(j) "**Livestock production facility**" means a facility that has produced at least \$10,000 in sales of unprocessed livestock or unprocessed dairy products as reported on schedule F or form 1065, 1120, or 1120S of the farmer's federal income tax return for either taxable years 1997 or 1998.

(k) "**Person**" includes individuals, fiduciaries, estates, trusts, partnerships, joint ventures, and corporations.

**Subd. 2. Payment to farmers.** Provides that every farmer may apply to the commissioner for a payment for every acre in Minnesota on which the farmer produced an agricultural crop for crop year 1998 as certified by the FSA by December 31, 1998. The payment, made to each farmer at risk, equals \$4 multiplied by the number of acres of the farm operation, multiplied by the percentage of risk borne by that farmer for that farm operation. The maximum payment for each farm is \$5,600. The commissioner shall prepare application forms and make them available. The farmer must include with the application, social security number or federal employer ID number, a certification from FSA of the number of acres farmed, including any percentage of risk for particular acres. The commissioner shall make the payment by June 30, 1999 to each eligible farmer who applies by May 31, 1999 or within 30 days of the application if it is received after May 31, 1999.

**Subd. 3. Livestock producers.** Provides that a farmer who owns and operates a livestock production facility on 160 acres or less may elect the agricultural property tax refund under subdivisions 4 to 8. This refund is in lieu of the per acre payment under subdivision 2.

**Subd. 4. Refund.** Provides a refund equal to the full amount of the May 15, 1999 property tax payment on agricultural homestead land and buildings, excluding those taxes attributable to the house, garage, and surrounding acre of land, and excluding any portion of the taxes on any agricultural property that was leased for the 1998 production year.

**Subd. 5. Certification.** Requires the commissioner to develop a form for use by the county auditors by May 10, 1999, to ascertain qualification for the refund. The form shall require property owners to certify that the owner (i) operates a livestock production facility on 160 acres or less and (ii) the percentage of the property, if any, that was leased to anyone for the 1998 production year. Any person qualifying for the refund shall contact the county auditor in the county where the livestock production facility is located and shall file the form with the county.

**Subd. 6. Verification.** Provides that the auditor determines the amount of the refund for all qualifying property in the county. The auditor shall notify all applicants of the amount of the refund within 14 days of receipt of application.

**Subd. 7. Certification and payment.** Provides that any person eligible for the refund shall send the commissioner a copy of the certification. The commissioner shall make payment to each eligible farmer by July 15, 1999, for applications received by June 15, 1999; otherwise payments will be made within 30 days of receipt of the application.

**Subd. 8. Property tax refund.** Provides that taxpayers benefitting from this refund must deduct the amount of the refund from their net property taxes when applying for the state property tax refund.

**Subd. 9. Alternate qualification.** (a) Provides that if an agricultural production operation does not meet the definition of a farm solely because (1) the farm operator had not filed a form 156EZ with FSA, (2) there was an error in the FSA's records, or (3) an operator operates more than one farm and the qualifying acres is less than 40 acres on each farm, but the combined acres is at least 40 acres, the commissioner may allow the farm operator to apply for a payment under subdivision 2 after providing whatever information the commissioner needs to determine the

number of acres of eligible crop land.

(b) Provides that if the number of acres of effective agricultural use land for crop year 1998 for a farm is greater than indicated on FSA's records, the commissioner may allow a farm operator to apply for a payment on the higher acreage, after furnishing the commissioner the necessary information.

(c) Provides that a person who produced an agricultural crop or livestock in 1998 and bore a portion of the risk for the farm operation and does not meet the definition of farmer because the information was not reported to the FSA, or because of an error in the FSA's records, the commissioner may allow the farmer to be included on an application for payment under subdivision 2 after providing the necessary information to the commissioner.

**Subd. 10. Limit.** Provides that no person may receive a payment under subdivision 2 or subdivisions 4 to 8 that exceeds \$5,600.

**Subd. 11. Application of other laws.** Provides that the payments under subdivisions 2 and 7 are a "Minnesota tax law" for purposes of data practices rules.

**Subd. 12. Remedies.** Allows a farmer that is denied a refund to appeal that denial under the general provisions allowing for claims for tax refunds.

**Subd. 13. Interest.** Provides that payments under this article shall bear interest at the interest rate used for refunds of state taxes, from the later of the payment dates specified or 75 days after a complete payment application was filed.

**Subd. 14. Penalties.** Provides that if the claims for payment were excessive and were filed with fraudulent intent, the claim must be disallowed in full. If the claim has been paid, the amount disallowed must be recovered by assessment and collection procedure, within two years after a check is cashed, except in the case of theft or forgery. The assessment may be appealed administratively and judicially.

**2 Appropriation.** (a) Appropriates the amount necessary to make the payments for the farm tax relief under section 1, subdivisions 2 and 7, to the commissioner of revenue for fiscal year 1999, and allows the amounts to be expended until June 30, 2000.

(b) Appropriates \$68,0000 to the commissioner of revenue for distribution to the counties for the cost of administering the property tax payments under subdivisions 4 to 8. The distributions to counties shall be based on the number of refunds under subdivisions 4 to 8.

**3 Effective date.** Provides that sections 1 and 2 are effective the day following final enactment.