

## ***Educational Training***

The Farm Lease Income Tax Deduction Program requires the beginning farmer to complete a finance management course to include creation and proper use of record keeping systems, cash flow analysis, enterprise analysis and consultations with the instructor. The following courses fulfill this requirement. If you have completed a course you believe meets the requirements, but is not on this list, please describe the course under #11 of the Beginning Farmer Application.

### **Colorado State University – Extension**

*Principles of Business Planning and Management*

<http://buildingfarmers.com/>

### **Northeastern Junior College**

*Ag Business Management*

<http://www.njc.edu/Academics/Ag-Business-Management>

### **Morgan Community College**

*Ag Business Management*

<http://www.morgancc.edu/academics/programs/abm/>

### **Otero Junior College**

*Ag Business Management*

<http://www.ojc.edu/academics/academicprograms/agribusiness.aspx>

**Jim Rubingh**

*Colorado Agricultural Development Authority*

305 Interlocken Parkway

Broomfield, CO 80021

(303) 815-9543

### ***Beginning Farmer/ Rancher Benefits:***

- Increase their chance to rent agricultural assets.
- Sign a three-year lease agreement on a farm or ranch.
- Forge a relationship with an asset owner for potential long term arrangement.

### ***Asset Owner Benefits:***

- Receive a refundable Colorado income tax deduction credit each year for the three-year lease you have with an eligible beginning farmer/ rancher.
- Rent to a beginning farmer or rancher to increase retirement options.
- Ensure the farm or ranch will continue in operation.
- Paying it forward – did someone help you get started?
- Connect the next generation.

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# *Farm Lease Income Tax Deduction Program*

## *Asset Owner Application*

**A. Asset Owner Information** *(Required by all applicants):*

1. Mark which form of business describes your operation.

Sole Proprietor  Beneficiary  Partnership  Fiduciary/ Trustee  Corporation

S Corporation Shareholder  LLC Member

2. Name \_\_\_\_\_ Spouse \_\_\_\_\_

Business Name *(LLC, Corporation, Trust, Etc.)* \_\_\_\_\_

*(Note: Applicant name must match that of the lessee on the lease)*

Representative/ Title \_\_\_\_\_

3. Address \_\_\_\_\_ City/State/Zip \_\_\_\_\_

4. Phone # \_\_\_\_\_ Email \_\_\_\_\_

5. Last four digits of social security number xxx-xx-\_\_\_\_\_ or FIN \_\_\_\_\_

**B. Agricultural Assets Information** *(Required by all applicants):*

1. Beginning farmer who will be renting the agricultural assets: \_\_\_\_\_

2. Describe the type of asset you will rent/ lease to a tenant under the Beginning Farmer Tax Deduction Act:  
\_\_\_\_\_

3. Legal Description of any land you will rent/ lease to a tenant under the Beginning Farmer Tax Deduction Act:

<i>County</i>	<i># of Acres</i>	<i>Sub-Section (e.g., S1/2 NW1/4)</i>	<i>Section</i>	<i>Township</i>	<i>Range</i>

4. Are you or your spouse a relative of the beginning farmer who will lease from you? *(The term "relative" applies to children, grandchildren, parents, grandparents, great grandparents, siblings, aunts, uncles, nieces, and nephews)?*   **o Yes o No**

**C. Lease and Rental Agreement Information:**

1. **Attach a copy** of the three-year rental agreement (lease) signed and dated by the beginning farmer (lessee) and the owner of the agricultural assets (lessor) which states:

a. The method(s) of payment schedules(s):

(1) **Cash Rent Lease**: The dollar amount, payment dates, and the yearly total to be paid each year for three years.

(2) **Share Crop Lease**: The percentage of the owner's and the beginning farmer's share of the crops to be divided each year for three years.

(3) **Livestock Share Lease**: The percentage of the owner's and the beginning farmer's share of livestock to be divided each year for three years.

b. The written legal description of all rented land and/ or the identifying information on all other rented assets.

2. Is the rent set at prevailing community rates for the area of the state in which the asset is located?

**Yes  No**

3. What is the dollar amount for this lease you were paid by the beginning farmer in 2017? \$ \_\_\_\_\_

4. Multiply the dollar amount in (3.) by 0.20: \$ \_\_\_\_\_

5. Put the lesser of: #4; or \$25,000 \$ \_\_\_\_\_

This is the amount of the Colorado State Tax Deduction for which you are eligible.

**Note: The Colorado Department of Revenue will not allow a deduction greater than the Asset Owner's income.**

*Each asset owner (lessor) on the lease must sign this application. Legal representatives for a corporation or trust may sign on behalf of that entity.*

*I certify that the above information and the information given on the attachments are correct and true to the best of my knowledge.*

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**To be eligible for the Beginning Farmer Tax Deduction both the owner Asset application and the Beginning Farmer Application must be received by CADA.**

**Deadline to apply for the tax deduction is March 31st of the year for which the tax deduction is sought.**  
*Applicants are highly encouraged to submit applications earlier in the year since only one hundred tax deductions will be issued.*

**Please return your original application, \$50 application fee and supplemental information to CADA at the address below:**

Colorado Agricultural Development Authority  
305 Interlocken Parkway  
Broomfield, CO 80021

[www.cadafarmloan.com](http://www.cadafarmloan.com)

# ***Farm Lease Income Tax Deduction Program Beginning Farmer Application***

**A. Beginning Farmer Information** *(Required by all applicants):*

1. Name \_\_\_\_\_ Spouse \_\_\_\_\_

Business Name *(LLC, Corporation, Trust, Etc.)* \_\_\_\_\_

*(Note: Applicant name must match that of the lessee on the lease)*

2. Address \_\_\_\_\_ City/State/Zip \_\_\_\_\_

3. Phone # \_\_\_\_\_ Cell # \_\_\_\_\_ Email \_\_\_\_\_

4. Age at time of application *(Optional)*: \_\_\_\_\_

**Do you meet the following Eligibility Requirements? Please check the (YES) or (NO) Boxes.**

*(Questions 5-11 are required by all applicants)*

5. I am a Colorado resident -  
*(An individual whose home is in Colorado and who spends, in total, more than six months of the taxable year in this state)*  **Yes**  **No**

6. I have farmed or ranched for less than 10 years -  **Yes**  **No**

7. My net worth is less than \$2 Million -  **Yes**  **No**

8. I will provide the majority of the daily physical labor and management, or will lease the asset the majority of the time -  **Yes**  **No**

9. I intend to farm or ranch full-time -  **Yes**  **No**

10. I have farming or ranching experience or education -  **Yes**  **No**

11. I have completed a financial management program including course work in record keeping systems, cash flow, enterprise analysis, and consultations with the instructor -  **Yes**  **No**

<i>School/ Organization</i>	<i>Course Description</i>	<i>Length of Course</i>	<i>Dates</i>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

**B. Past Experience** (Required by all applicants. Continue on separate page, if needed):

**1. Experience: List all farm/ livestock experience, related hobbies, affiliations with clubs/ organizations, growing up on a farm, etc.**

<i>Experience</i>	<i>Job Duties</i>	<i>Length of Time</i>	<i>Dates</i>

**2. List any additional agricultural trainings or workshops not previously listed.**

<i>School/ Organization</i>	<i>Course Description</i>	<i>Length of Course</i>	<i>Dates</i>

**C. Agricultural Assets Information:**

**1. Name of owner(s)/ landlord(s) of the agricultural assets:** \_\_\_\_\_

**2. Describe the agricultural asset you will rent/ lease under the Beginning Farmer Tax Deduction Act:**  
*(Eligible assets include: land, livestock, livestock facilities, farm equipment and machinery, crops, grain storage, or irrigation equipment).*

**3. Legal Description of any land you will rent/ lease as a tenant under the Beginning Farmer Tax Deduction Act:**

<i>County</i>	<i># of Acres</i>	<i>Sub-Section (e.g., S1/2 NW1/4)</i>	<i>Section</i>	<i>Township</i>	<i>Range</i>

**4. Are you or your spouse a relative of the owner of the assets** *(The term “relative” applies to children, grandchildren, parents, grandparents, great grandparents, siblings, aunts, uncles, nieces, and nephews)?*  
 Yes  No

**5. Amount Paid for this lease in 2017 \$** \_\_\_\_\_

**D. A COPY OF THE 2017 SCHEDULE F THAT YOU HAVE FILED WITH YOUR FEDERAL TAX FORM MUST BE ATTACHED WITH THIS APPLICATION.**

*I certify that the above information and the information given on the attachments are correct and true to the best of my knowledge.*

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

**Deadline to apply – March 31<sup>st</sup>**

*Applicants are highly encouraged to submit applications earlier in the year since only 100 applications will be approved for any single tax year.*

**Please return your original application and supplemental information to the address below:**

Colorado Agricultural Development Authority  
305 Interlocken Parkway  
Broomfield, CO 80021  
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