

# Special Agricultural Homestead Property Held Under a Trust

Property Tax Fact Sheet 4C

## What is a Special Agricultural Homestead?

A Special Agricultural Homestead gives homestead status to property that is not occupied but is owned under a trust and farmed by the grantor or grantor's spouse, or the children, siblings, parents or grandchildren of the grantor or grantor's spouse. Homestead status can result in lower property taxes than property that is not homesteaded.

## What property qualifies?

To qualify for special agricultural homestead the agricultural property must be at least 40 acres.

The grantor/spouse of the grantor of the trust must:

- be a Minnesota resident
- not claim another agricultural homestead in Minnesota
- live within four cities and/or townships of the trust property

The person who is actively farming the land must:

- be a Minnesota resident
- live within four cities and/or townships of the trust property
- be the grantor or grantor's spouse, or the child, sibling, parent or grandchild of the grantor or grantor's spouse

## What does "actively farming" mean?

A person actively farming must participate in the day-to-day labor, decision making, and management of the homestead. They also must assume all or part of the financial risks of the farm. The person does not have to live on the farm.

Actively farming does **not** include:

- allowing someone other than the grantor or grantor's spouse, or the child, sibling, parent or grandchild of the grantor or grantor's spouse to farm the land
- just driving a truck to pick up supplies
- just "doing the books"

## What do I need to apply?

- An application form from your county assessor's office.
- The Farm Service Agency (FSA) number of the person actively farming.
- Your assessor may also request:
  - Form 156 EZ from the FSA for the person actively farming.
  - The Schedule F or an equivalent form that was filed with the federal income tax return of the person actively farming. You may substitute an affidavit from your tax preparer or attorney verifying that you filed the form
- A copy of the Articles of Incorporation that identifies the grantor of the trust.

## Application requirements

You must file the Special Agricultural Homestead application **every year by December 15**. It is recommended that you file near the end of the crop year.

The application must be filed in each county in which homestead is requested. If your property crosses a county line, make sure to apply in each county. The assessor's office will accept copies so you don't have to fill out the form twice.

If you have further questions, please contact your County Assessor's Office.