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AGRICULTURAL PRESERVATION PROPERTY TAX ASSISTANCE

*More Choices for
Farmland Preservation*

The agricultural preservation property tax assistance program creates new options for individuals who want to preserve their farms. Under the current law, individuals can either accept a lump sum payment for a conservation easement or receive periodic payments for the easement.

The agricultural preservation property tax assistance program permits individuals to increase the total value of their easement by allowing the Commonwealth to reimburse them, through annual rebates, the cost of their property taxes in exchange for an agricultural conservation easement.

The program allows for the maximum amount of flexibility, permitting rebates to be issued for anywhere from 5 to 30 years. For each year that an individual accepts a property tax rebate, the value of their easement as determined under the law is permitted to increase by a designated factor; in effect, this provides a longer term, ongoing benefit to a program participant. Further, program participants under this proposal can determine what combination of rebates and direct funding are most appropriate for them.

Property taxes represent a unique hardship for farmers. Unlike a tax on residential properties, property taxes on farmland are business taxes, since the land is a farmer's business. Pennsylvania has done well in preserving farmland; however, preserving the farmer working that land is something that can be improved upon. The agricultural preservation property tax assistance program does that.

The agricultural preservation property tax assistance program is specifically designed to provide a continuing benefit that directly addresses the regressive property tax. The Commonwealth, in exchange for an agricultural conservation easement, would be able to – for the first time – directly reimburse farmers for the property taxes they pay.