



Annual Report
July 1, 2016 – June 30, 2017

Nebraska Department of Agriculture
Beginning Farmer Tax Credit Act

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NextGen Annual Report

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

Table of Contents

Board of Directors	1
Board Meeting Dates and Attendees	2
Administrative Notes	3
Participant Statistics as Reported for the Tax Year	4
Number of Owners Receiving Tax Credits by County	5
Number of Cases Declared Eligible by County.....	6
Financial Report.....	7
Outreach Activities	8

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NextGen Board of Directors

FY 2016 – 2017
July 1, 2016 – June 30, 2017

Name	Representing
Greg Ibach	Director Nebraska Department of Agriculture
Karla Bahm (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture
Tony Fulton	Tax Commissioner Nebraska Department of Revenue
HoaPhu Tran (Designee)	Research Division Nebraska Department of Revenue
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln
Nadine Hagedorn	Agricultural Lender
Todd Reed	Producer, District 1
Ryan Ueberrhein	Producer, District 2
Don Anthony	Producer, District 3

Staff Members

Joline Gordon	Staff Assistant
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**NextGen
Board Meeting Dates
and
Attendees**

**FY 2016 – 2017
July 1, 2016 – June 30, 2017**

Meeting Date	Members Attending	Guests Attending	Staff Attending
September 1, 2016	Don Anthony Karla Bahm Nadine Hagedorn Brad Lubben Todd Reed HoaPhu Tran Ryan Ueberrhein		Joline Gordon
December 15, 2016	Don Anthony Karla Bahm Nadine Hagedorn Brad Lubben HoaPhu Tran Ryan Ueberrhein		Joline Gordon
January 13, 2017	Don Anthony Karla Bahm Nadine Hagedorn HoaPhu Tran		Joline Gordon

NextGen Administrative Notes

**FY 2016 – 2017
July 1, 2016 – June 30, 2017**

The Beginning Farmer Tax Credit Act was enacted into law in August of 1999. The Act was created out of a concern of the aging population of Nebraska's farmers and ranchers and who would be their successors. The Act provides a Nebraska income tax credit to the landlord who rents to an eligible beginning farmer or rancher. This program has become a good tool for the beginning farmer to use while trying to gain access to agricultural assets. Other benefits for the beginning farmer are a Personal Property Tax Exemption on farm equipment and machinery and reimbursement of an approved finance management course.

A seven member Board of Directors is charged with reviewing applications and approving applicants in accordance with the Act. Members representing the board consist of: Nebraska Director of Agriculture, State Tax Commissioner, an academia representative, a lending community representative and an agricultural producer from each of the Congressional Districts. This year Tyler Weborg of West Point was appointed by Governor Ricketts as the representative for Congressional District 1 replacing Todd Reed whom served on the board since 2007.

This year the Beginning Farmer Tax Credit Act Regulations were amended to simplify the regulations, remove language that was redundant of the Act, bring the regulations in line with the Act and current policy in the administration of the Act, and to clarify the succession plan requirement. A hearing was held on December 15, 2016 and we are awaiting final approval and filing with the Secretary of State.

The net worth requirement was decreased to \$175,000 from \$200,000 which one may assume would impact the number of eligible potential applicants. However, farmers and ranchers are experiencing their fourth year of depressed commodity prices affecting their bottom line and their net worth. We experienced a 28 percent increase in applications from the previous year. We strive to promote NextGen through our many outreach efforts and our collaborative partnerships with the agricultural industry serving Nebraska farmers and ranchers.

Participant Statistics As Reported for the Tax Year

Tax Year Participation	2012	2013	2014	2015	2016	2012 - 2016		Totals - 2001 to 2016 Since the Beginning
						Last 5 Yrs Total & Avg		
# of Owners Receiving Tax Credit	187	159	164	178	233	921		1781
Total Tax Credits Paid to Owners	\$ 926,031	\$ 842,864	\$ 954,659	\$ 947,904	\$ 1,140,155	\$ 4,811,613	\$	\$ 9,507,935
Average Tax Credit per Owner	\$ 4,952	\$ 5,301	\$ 5,821	\$ 5,325	\$ 4,893	\$ 5,224	\$	\$ 5,339
# of Beg. Farmers Paying Rent	137	126	134	145	172	714		1427
Total Rent Paid by Beg. Farmers	\$ 6,991,484	\$ 6,551,624	\$ 7,641,412	\$ 7,871,791	\$ 9,835,160	\$ 38,891,471	\$	\$ 78,623,847
Average Rent Paid per Beg. Farmer	\$ 51,033	\$ 51,997	\$ 57,025	\$ 54,288	\$ 57,181	\$ 54,470	\$	\$ 55,097
Applications Received	41	61	51	58	74	285		782

NextGen Financial Report

FY 2016 – 2017
July 1, 2016 – June 30, 2017

Account Code Description	Budgeted Amount	Year-To-Date	% of Budget	Variance-Favorable (Unfavorable)
<u>510000 Personal Services</u>				
511100 Permanent Salaries – Wages	\$35,876.36	\$30,368.14	84.65	\$5,508.22
512100 Vacation Leave Expense	\$19.68	\$2,914.62	14,810.06	(\$2,894.94)
512200 Sick Leave Expense	\$15.91	\$506.72	3,184.92	(\$490.81)
512300 Holiday Leave Expense		\$1,636.46	0.00	(\$1,636.46)
515100 Retirement Plans Expense	\$2,553.00	\$2,654.92	103.99	(\$101.92)
515200 FICA Expense	\$2,604.00	\$2,317.20	88.99	\$286.80
515400 Life & Accident Insurance Exp	\$10.00	\$10.98	109.80	(\$0.98)
515500 Health Insurance Expense	\$12,667.00	\$13,200.38	104.21	(\$533.38)
516300 Employee Assistance Program	\$14.00	\$0.00	0.00	\$14.00
516500 Workers Comp Premiums	\$348.00	\$352.38	101.26	(\$4.38)
<u>510000 Personal Services Total</u>	\$54,107.95	\$53,961.80	99.73	\$146.15
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$317.00	\$396.30	125.02	(\$79.30)
521200 Comm Expense – Voice/Data	\$486.00	\$0.00	0.00	\$486.00
521290 Comm Expense – Data only	\$7.00	\$0.00	0.00	\$7.00
521400 Data Processing Expense	\$1,145.00	\$1,565.73	136.74	(\$420.73)
521412 OCIO – Voice Expense		\$505.51	0.00	(\$505.51)
521500 Publication & Print Expense	\$800.00	\$1,476.45	184.56	(\$676.45)
521900 Awards Expense		\$3.02	0.00	(\$3.02)
522200 Conference Registration		\$17.50	0.00	(\$17.50)
524744 Exhibit Space	\$68.00	\$14.25	20.96	\$53.75
531100 Office Supplies Expense	\$36.00	\$46.19	128.31	(\$10.19)
533900 Food Expense		\$11.74	0.00	(\$11.74)
534946 Promotional Supplies	\$227.00	\$0.00	0.00	\$227.00
538100 Vehicle & Equip Supp Exp		\$1.54	0.00	(\$1.54)
538182 Gas Expense		\$1.59	0.00	(\$1.59)
541100 Accounting & Auditing Service	\$71.00	\$78.70	110.85	(\$7.70)
541200 Purchasing Assessment		\$17.95	0.00	(\$17.95)
541400 HRMS Assessment		\$28.95	0.00	(\$28.95)
559100 Other Operating Exp		\$21.25	0.00	(\$21.25)
<u>520000 Operating Expenses Total</u>	\$3,157.00	\$4,186.67	132.62	(\$1,029.67)
<u>570000 Travel Expense</u>				
571100 Board & Lodging	\$909.00	\$44.39	4.88	\$864.61
571600 Meals – Not Travel Status	\$192.00	\$242.81	126.46	(\$50.81)
574500 Personal Vehicle Mileage	\$1,350.00	\$762.20	56.46	\$587.80
575100 Misc Travel Expense	\$115.00	\$62.00	53.91	\$53.00
<u>570000 Travel Expense Total</u>	\$2,566.00	\$1,111.40	43.31	\$1,454.60
Budgeted Expenditures Total	\$59,830.95	\$59,259.87	99.05	\$571.08

NextGen Outreach Activities

**FY 2016 – 2017
July 1, 2016 – June 30, 2017**

- Nebraska Agriculture Youth Institute Career Fair, Lincoln – July 14, 2016
- Beginning Farmer and Rancher Development Meeting, Ashland – July 21, 2016
- Nebraska Staff Training, Schuyler – August 16-17, 2016
- Nebraska College of Technical Agriculture Advisory Council, Curtis – August 11, 2016
- Farm Crisis Response Council, Lincoln – August 23, 2016
- Husker Harvest Days, Grand Island – September 13-15, 2016
- Beginning Farmer and Rancher Development Meeting, Lyons – October 13, 2016
- Farm Crisis Response Council, Lincoln – October 25, 2016
- AgCeptional Women’s Conference, Norfolk – November 18, 2016
- Nebraska Power Farm Show, Lincoln – December 6-8, 2016
- Radio Spot – Succession Workshops – December 22, 2016
- Nebraska Education Telecommunications (NET) Radio Spot - Elliott Chapman, January 11, 2017
- Beginning Farmer and Rancher Development Meeting, Lincoln – January 19, 2017
- Farm Crisis Response Council, Lincoln – January 31, 2017
- AgrAbility Advisory Council Meeting, Kearney – February 22, 2017
- Women in Ag Conference, Kearney – February 23-24, 2017
- Governor’s Ag Conference, Kearney – March 14-15, 2017
- FFA Annual Convention, Lincoln – April 7, 2017
- Beginning Farmer and Rancher Development Meeting, Ashland – April 20, 2017
- Rural Response Council, Lincoln – May 2, 2017
- Radio Spot – FSA Educational Opportunities - May 22, 2017 (Facebook & Twitter posts 5/25, 6/5, 6/15)
- Beginning Farmer and Rancher Workshop - FSA, Grand Island – June 6, 2017
- Answering the Call: Military Veteran Farmer Conference, Seward – June 22, 2017
- Beginning Farmer and Rancher Workshop - FSA, Ogallala – June 29, 2017

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