



Annual Report
July 1, 2023 – June 30, 2024

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**

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NextGen Board of Directors

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| Name | Representing |
|------------------------------|--|
| Sherry Vinton | Director Nebraska Department of Agriculture |
| Samantha Smith (Designee) | Beginning Farmer Program Administrator Nebraska Department of Agriculture |
| Jim Kamm | Tax Commissioner Nebraska Department of Revenue |
| Garrett Nedved (Designee) | Policy Section Nebraska Department of Revenue |
| Brad Lubben | Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln |
| Wade Thornburg | Agricultural Lender |
| Britt Anderson | Producer Representative |
| Lisa Lunz | Producer Representative |
| John Walvoord | Producer Representative |

Staff Members

| | |
|---------------|---------------------------|
| Joline Gordon | Administrative Technician |
|---------------|---------------------------|

NextGen Board Meeting Dates and Attendees

FY 2023 – 2024
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| Meeting Date | Members Attending | Guests Attending | Staff Attending |
|-------------------|--|--|-----------------|
| November 29, 2023 | Britt Anderson Brad Lubben Garrett Nedved Dave Nielsen Samantha Smith Wade Thornburg John Walvoord | James Cronin, Crystal Land Company, LLC; asset owner applicant Joshua Dethlefsen, Nebraska Attorney General's Office Hilary Maricle, Deputy Director, Nebraska Department of Agriculture (NDA) | Joline Gordon |
| January 10, 2024 | Britt Anderson Brad Lubben Garrett Nedved Samantha Smith Wade Thornburg John Walvoord | Joshua Dethlefsen, Nebraska Attorney General's Office Jeff Kanger, Polar Properties, LLC; asset owner applicant Hilary Maricle, Deputy Director, NDA Sherry Vinton, Director, NDA | Joline Gordon |
| June 4, 2024 | Britt Anderson Brad Lubben Lisa Lenz Garrett Nedved Samantha Smith Wade Thornburg John Walvoord | Hilary Maricle, Deputy Director, NDA Nick Swenson, Legislative Coordinator, NDA Sherry Vinton, Director, NDA | Joline Gordon |

NextGen Administrative Notes

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The Beginning Farmer Tax Credit Act was enacted into law in August of 1999. The intent of the Act is to help beginning farmers and ranchers gain access to agricultural assets by providing an incentive to a landlord who will enter into a three-year lease with a beginning farmer. The incentive is a refundable Nebraska income tax credit. 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 the Director of Agriculture, State Tax Commissioner, an academia representative, an agricultural lending community representative and three agricultural producers. Board members serve a four-year term. All members' terms expired on July 16, 2023.

The following board member chose not to reapply, was thanked for their service and ended their term.

| | | |
|--------------|-----------------------|----------------|
| Dave Nielsen | Agricultural Producer | Served 4 years |
|--------------|-----------------------|----------------|

The following four-year appointments were made by Governor Pillen and confirmed by the legislature. Terms will expire July 16, 2027.

| | | |
|----------------|-------------------------|---------------------------|
| Britt Anderson | Agricultural Producer | Vice Chair; Reappointment |
| Bradley Lubben | Academia Representative | Chair; Reappointment |
| Lisa Lunz | Agricultural Producer | New Appointment |
| Wade Thornburg | Agricultural Lender | Reappointment |
| John Walvoord | Agricultural Producer | Reappointment |

NDA is a participant in a community of practice group as part of a USDA Agriculture and Food Research Initiative grant project, administered by Indiana University and American Farmland Trust, to study land access policy incentive programs. The grant is a three-year project and quarterly meetings began in 2021. Nebraska was the first state to implement a land access incentive program. There are currently five states with land access incentive programs. The program administrator for NextGen attends the meetings. The goals of the project are to compare and contrast programs; highlight successes, wins and best practices; address weaknesses and challenges; and talk shop. A survey of program participants in all five states was conducted in the spring of 2022. Results of the survey are currently being analyzed.

NextGen Program Assistant, Joline Gordon, retired from the State of Nebraska on June 30, 2024. Joline was thanked for her service to the Department of Agriculture and the Beginning Farmer Tax Credit program.

Participant Statistics As Reported for the Tax Year

| Tax Year Participation | 2019 | 2020 | 2021 | 2022 | 2023 | 2019 - 2023 | Totals - 2001 to 2023 |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|------------------------|-----------------------|
| | | | | | | Last 5 Yrs Total & Avg | Since the Beginning |
| # of Owners Receiving Tax Credit | 250 | 260 | 228 | 204 | 144 | 942 | 3429 |
| Total Tax Credits Paid to Owners | \$ 1,266,626 | \$ 1,412,692 | \$ 1,279,174 | \$ 1,791,418 | \$ 1,622,732 | \$ 5,749,911 | \$ 19,634,700 |
| Average Tax Credit per Owner | \$ 5,067 | \$ 5,433 | \$ 5,610 | \$ 8,781 | \$ 11,269 | \$ 6,104 | \$ 5,726 |
| # of Beg. Farmers Paying Rent | 235 | 209 | 174 | 157 | 124 | 775 | 2811 |
| Total Rent Paid by Beg. Farmers | \$ 11,125,488 | \$ 12,054,169 | \$ 11,044,829 | \$ 14,976,807 | \$ 13,828,643 | \$ 49,201,292 | \$ 165,700,195 |
| Average Rent Paid per Beg. Farmer | \$ 47,343 | \$ 57,675 | \$ 63,476 | \$ 95,394 | \$ 111,521 | \$ 63,486 | \$ 58,947 |
| Applications Received | 57 | 62 | 73 | 29 | 32 | 221 | 1219 |

NextGen Financial Report

FY 2023 - 2024
July 1, 2023 - June 30, 2024

| Account Code Description | Budgeted Amount | Year-To-Date | % of Budget | Variance-Favorable (Unfavorable) |
|--|--------------------|---------------------|----------------|----------------------------------|
| <u>510000 Personal Services</u> | | | | |
| 511100 Permanent Salaries-Wages | \$49,158.20 | \$53,799.14 | 109.44% | (\$4,640.94) |
| 512100 Vacation Leave Expense | \$0.00 | \$5,580.23 | 0.00% | (\$5,580.23) |
| 512200 Sick Leave Expense | \$25.01 | \$2,193.05 | 0.00% | (\$2,168.04) |
| 512300 Holiday Leave Expense | \$207.32 | \$3,291.44 | 0.00% | (\$3,084.12) |
| 515100 Retirement Plans Expense | \$3,704.25 | \$4,857.72 | 131.14% | (\$1,153.47) |
| 515200 FICA Expense | \$3,758.59 | \$4,469.55 | 118.92% | (\$710.96) |
| 515500 Health Insurance Expense | \$17,655.00 | \$19,057.29 | 107.94% | (\$1,402.29) |
| 516500 Workers Comp Premiums | \$0.00 | \$594.73 | 0.00% | (\$594.73) |
| <u>510000 Personal Services Total</u> | <u>\$74,508.37</u> | <u>\$93,843.15</u> | <u>125.95%</u> | <u>(\$19,334.78)</u> |
| <u>520000 Operating Expenses</u> | | | | |
| 521100 Postage Expense | \$425.41 | \$372.38 | 87.53% | \$53.03 |
| 521400 Data Processing Expense | \$3,849.21 | \$3,202.71 | 83.20% | \$646.50 |
| 521401 NDA Data Center | \$556.02 | \$555.90 | 99.98% | \$0.12 |
| 521412 OCIO-Voice Expense | \$400.00 | \$307.65 | 76.91% | \$92.35 |
| 521500 Publication & Print Expense | \$355.29 | \$699.67 | 0.00% | (\$344.38) |
| 522200 Conference Registration | \$0.00 | \$23.00 | 0.00% | (\$23.00) |
| 523900 Teammate Recognition | \$0.00 | \$0.00 | 0.00% | \$0.00 |
| 524600 Rent Expense-Buildings | \$200.00 | \$2,106.75 | 1053.38% | (\$1,906.75) |
| 524744 Exhibit Space | \$0.00 | \$350.00 | 0.00% | (\$350.00) |
| 531100 Office Supplies Expense | \$25.00 | \$1.37 | 5.48% | \$23.63 |
| 534946 Promotional Supplies | \$100.00 | \$41.09 | 0.00% | \$58.91 |
| 538182 Gas Expense | \$0.00 | \$2.18 | 0.00% | (\$2.18) |
| 541100 Accounting & Auditing Services | \$200.00 | \$103.65 | 51.83% | \$96.35 |
| 541400 HRMS Assessment | \$100.00 | \$17.77 | 17.77% | \$82.23 |
| 559100 Other Operating Expense | \$0.00 | \$20.00 | 0.00% | (\$20.00) |
| 559122 Nonstate Meals & Food | \$81.30 | \$247.94 | 0.00% | (\$166.64) |
| <u>520000 Operating Expenses Total</u> | <u>\$6,292.23</u> | <u>\$8,052.06</u> | <u>127.97%</u> | <u>(\$1,759.83)</u> |
| <u>570000 Travel Expenses</u> | | | | |
| 571100 Board & Lodging | \$400.00 | \$22.49 | 5.62% | \$377.51 |
| 571600 Meals-Not Travel Status | \$69.69 | \$213.01 | 0.00% | (\$143.32) |
| 571800 Taxable Travel Expenses | \$0.00 | \$8.97 | 0.00% | (\$8.97) |
| 573100 State-Owned Transport | \$0.00 | \$23.28 | 0.00% | (\$23.28) |
| 574500 Personal Vehicle Mileage | \$1,500.00 | \$1,775.25 | 0.00% | (\$275.25) |
| 574600 Contractual Serv-Travel Exp | \$0.00 | \$22.49 | 0.00% | (\$22.49) |
| 575100 Misc Travel Expenses | \$0.00 | \$0.00 | 0.00% | \$0.00 |
| <u>570000 Travel Expenses Total</u> | <u>\$1,969.69</u> | <u>\$2,065.49</u> | <u>104.86%</u> | <u>(\$95.80)</u> |
| Budgeted Expenditures Total | \$82,770.29 | \$103,960.70 | 125.60% | (\$21,190.41) |

NextGen Outreach Activities

**FY 2023 – 2024
July 1, 2023 – June 30, 2024**

- NAYI Booth College/Career Fair, UNL – July 13, 2023
- Rural Response Council Meeting, Farmers Union – July 25, 2023
- Beginning Farmer/Rancher Network Meeting, FSA State Office – August 15, 2023
- LAPI Community of Practice Quarterly Meeting, virtual – August 17, 2023
- Husker Harvest Days, Grand Island – September 12-14, 2023
- Beginning Farmer/Rancher Network Meeting, FSA State Office – November 14, 2023
- AgCeptional Women’s Conference, Norfolk – November 17, 2023
- Rural Response Council Meeting, Lincoln – January 16, 2024
- UNL NextGen Interview, Lincoln – February 13, 2024
- AgrAbility Advisory Council Meeting, Kearney – February 21, 2024
- Women in Agriculture, Kearney – February 22-23, 2024
- Beginning Farmer/Rancher Network Meeting, FSA State Office – April 10, 2024
- Rural Response Council Meeting, Lincoln – April 16, 2024
- LAPI Community of Practice Quarterly Meeting, virtual – May 16, 2024
- Women in Agriculture Webinar Series, virtual – June 20, 2024