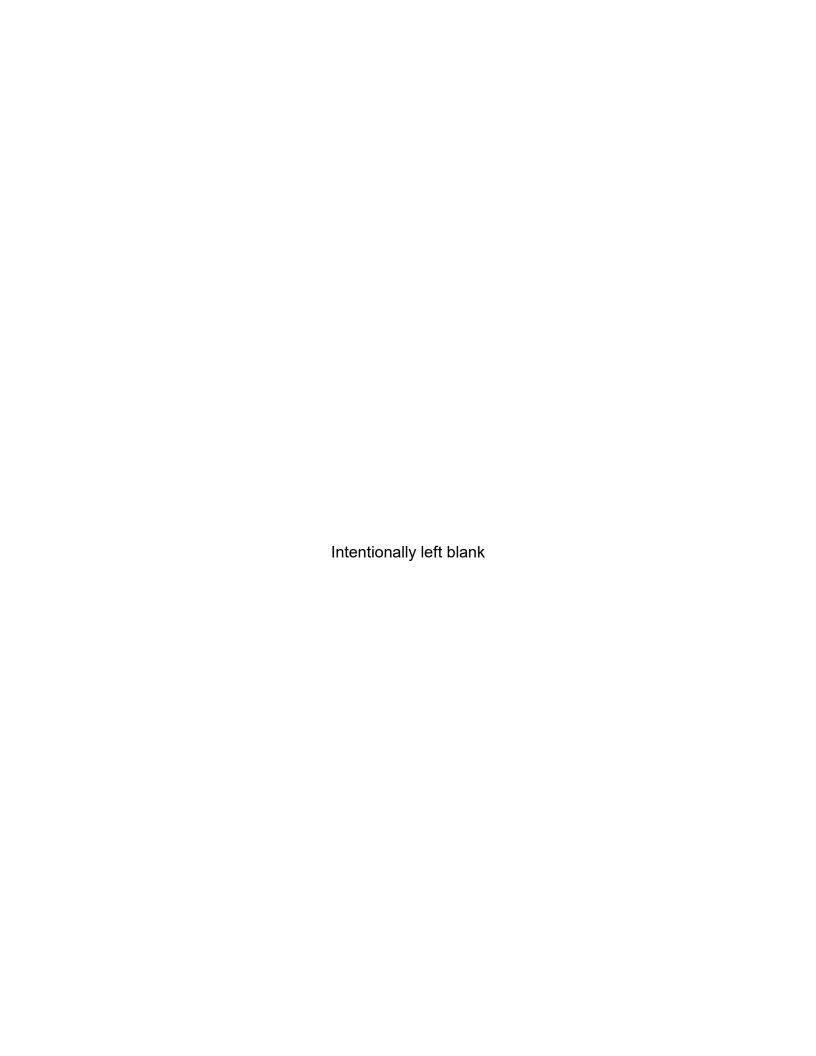


Annual Report July 1, 2019 – June 30, 2020

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

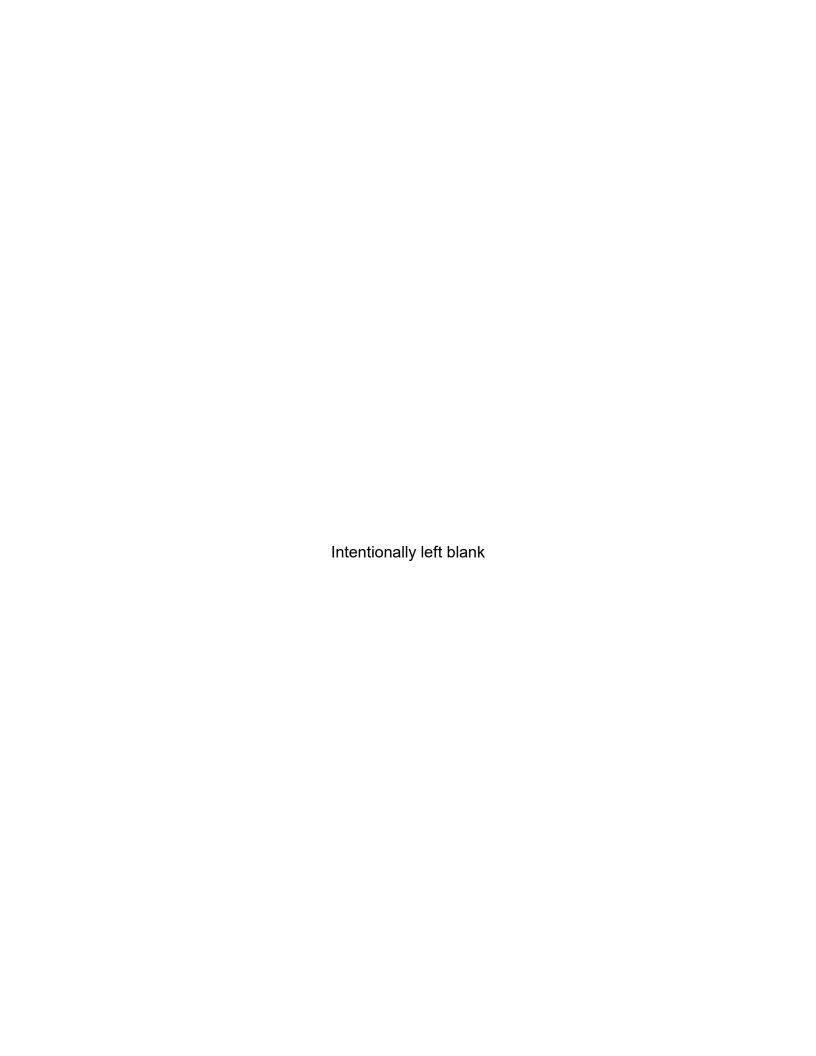


NextGen Annual Report

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	٩



NextGen Board of Directors

FY 2019 - 2020 July 1, 2019 - June 30, 2020

Name	Representing		
Steve Wellman	Director Nebraska Department of Agriculture		
Karla Bahm (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture		
Tony Fulton	Tax Commissioner Nebraska Department of Revenue		
Timothy Lenell (Designee)	Research Division Nebraska Department of Revenue		
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln		
Wade Thornburg	Agricultural Lender		
Dave Nielsen	Producer, District 1		
Vacant	Producer, District 2		
Don Anthony	Producer, District 3		

Staff Members

Joline Gordon	Staff Assistant
---------------	-----------------

NextGen Board Meeting Dates and Attendees

FY 2019 - 2020 July 1, 2019 - June 30, 2020

Meeting Date	Members Attending	Guests Attending	Staff Attending
December 19, 2019	Don Anthony Karla Bahm Timothy Lenell Brad Lubben Dave Nielsen Wade Thornburg	Amelia Breinig, Nebraska Department of Agriculture	Joline Gordon
January 14, 2020	Don Anthony Karla Bahm Timothy Lenell Brad Lubben Dave Nielsen	Britt Anderson, District 3 producer Amelia Breinig, Nebraska Department of Agriculture	Joline Gordon

NextGen Administrative Notes

FY 2019 - 2020 July 1, 2019 - June 30, 2020

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 the Director of Agriculture, State Tax Commissioner, an academia representative, an agricultural lending community representative and an agricultural producer from each of the three Congressional Districts. Board members serve a four-year term. All members' terms expired July 16, 2019.

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

Tyler Weborg	District 1 Representative	Filled an unexpired term for 2 years
Ryan Ueberrhein	District 2 Representative	Served 4 years
Don Anthony	District 3 Representative	Served 16 years, 12 years as Chair
Nadine Hagedorn	Agricultural Lender	Served 4 years

The following four-year appointments were made by Governor Ricketts and confirmed by the legislature during the 106th legislative session. Terms will expire July 16, 2023.

Dave Nielsen	District 1 Representative	Vice Chair; new appointment
Vacant	District 2 Representative	
Britt Anderson	District 3 Representative	New appointment
Wade Thornburg	Agricultural Lender	New appointment
Dr. Bradley Lubben	Academia Representative	Chair; reappointment

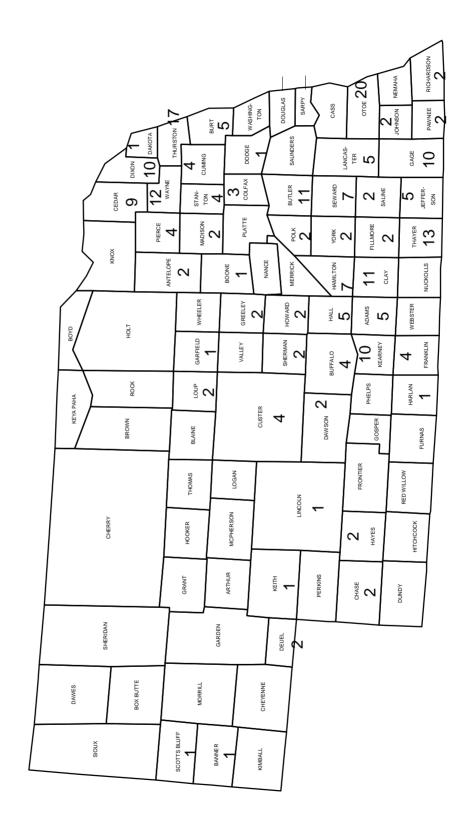
The program saw a considerable decline in applications in 2019 compared to a steady increase in applications between years 2014 through 2018. Two devastating weather events, several years of depressed commodity prices, and an uncertainty of potential changes to or continuation of the program (as reflected in legislative bills introduced during the 106th legislative session) may have attributed to the decline in applications. The program may potentially experience a similar decline in applications in 2020 due to the Covid-19 pandemic, the projected continuation of depressed commodity prices, and the uncertainty of marketing agricultural commodities nationally and internationally.

Participant Statistics As Reported for the Tax Year

	Tov Von	2015	2016	7100	2010	2010	2015 - 2019	Totals - 2001 to 2019
	ומא ובמו רמו נוכו ממוחו	2013	2010	7107	2010	6102	Last 5 Yrs Total & Avg Since the Beginning	Since the Beginning
	# of Owners Receiving Tax Credit	178	233	528	808	250	1223	2593
	Total Tax Credits Paid to Owners	\$ 947,904	\$ 1,140,155	\$ 1,283,928	\$ 1,470,194	\$ 947,904 \$ 1,140,155 \$ 1,283,928 \$ 1,470,194 \$ 1,266,626 \$	\$ 6,108,807 \$	\$ 13,528,683
	Average Tax Credit per Owner	\$ 5,325 \$	\$ 4,893	\$ 4,957 \$	\$ 4,852 \$	\$ 290'5 \$	\$ 4,995	\$ 5,217
	# of Beg. Farmers Paying Rent	145	172	217	768	235	1037	2147
	Total Rent Paid by Beg. Farmers	\$ 7,871,791	\$ 9,835,160	\$ 11,197,860	\$ 12,848,552	\$ 7,871,791 \$ 9,835,160 \$11,197,860 \$12,848,552 \$11,125,488 \$	\$ 52,878,851 \$	\$ 113,795,747
-	Average Rent Paid per Beg. Farmer	\$ 54,288	\$ 54,288 \$ 57,181	\$	\$ 47,942	51,603 \$ 47,942 \$ 47,343 \$	\$ 50,992	\$ 53,002
4 -	Applications Received	58	74	98	86	57	373	1023

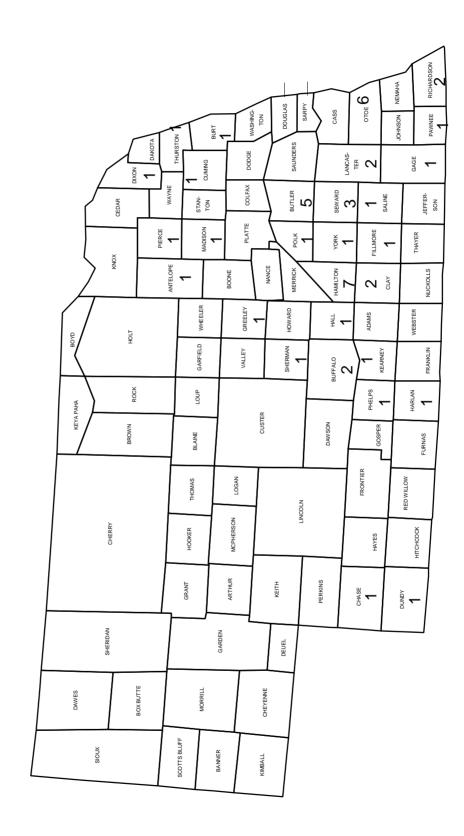
Number of Owners Receiving Tax Credits by County **Beginning Farmer Tax Credit Program**

Crop Year 2019



Beginning Farmer Tax Credit Program Number of Cases Declared Eligible by County

July 01, 2019 - June 30, 2020



53

NextGen Financial Report

FY 2019 - 2020 July 1, 2019 - June 30, 2020

Account Code Description	Budgeted Amount	Year-To- Date	% of Budget	Variance- Favorable (Unfavorable)
510000 Personal Services 511100 Permanent Salaries – Wages 512100 Vacation Leave Expense 512200 Sick Leave Expense 512300 Holiday Leave Expense 515100 Retirement Plans Expense 515200 FICA Expense 515400 Life & Accident Insurance Exp 515500 Health Insurance Expense 516300 Employee Assistance Program 516500 Workers Comp Premiums	\$43,739.38 \$60.08 \$156.97 \$79.29 \$3,302.41 \$3,339.95 \$12.24 \$15,261.83 \$15.00 \$363.00	\$31,548.13 \$2,407.36 \$2,414.46 \$1,890.29 \$2,865.04 \$2,472.27 \$0.00 \$14,948.11 \$0.00 \$531.84	72.13 4006.92 1538.17 2384.02 86.76 74.02 0.00 97.94 0.00 146.51	\$12,191.25 (\$2,347.28) (\$2,257.49) (\$1,811.00) \$437.37 \$867.68 \$12.24 \$313.72 \$15.00 (\$168.84)
510000 Personal Services Total	\$66,330.15	\$59,077.50	89.07	\$7,252.65
520000 Operating Expenses 521100 Postage Expense 521400 Data Processing Expense 521412 OCIO – Voice Expense 521500 Publication & Print Expense 522200 Conference Registration 531100 Office Supplies Expense 533900 Food Expense 533901 Food-Official Function 534946 Promotional Supplies 541100 Accounting & Auditing Service 541200 Purchasing Assessment 541400 HRMS Assessment 559100 Other Operating Expense	\$389.27 \$5,823.44 \$552.63 \$1,208.66 \$5.00 \$88.00 \$25.20 \$0.00 \$100.00 \$100.00 \$25.00 \$75.00 \$0.00	\$429.18 \$3,800.01 \$385.06 \$519.17 \$22.85 \$0.00 \$25.20 \$92.66 \$9.25 \$205.59 \$7.65 \$51.24 \$15.00 \$5,562.86	110.25 65.25 69.68 42.95 457.00 0.00 100.00 0.00 11.42 205.59 30.60 68.32 0.00	(\$39.91) \$2,023.43 \$167.57 \$689.49 (\$17.85) \$88.00 \$0.00 (\$92.66) \$71.75 (\$105.59) \$17.35 \$23.76 (\$15.00) \$2,810.34)
570000 Travel Expense 571100 Board & Lodging 571600 Meals – Not Travel Status 571900 Meals – One Day Travel 573100 State-Owned Transport 574500 Personal Vehicle Mileage 575100 Misc Travel Expenses 570000 Travel Expense Total	\$567.00 \$262.00 \$100.00 \$0.00 \$722.00 \$110.00 \$1,761.00	\$132.35 \$83.41 \$0.00 \$66.36 \$556,52 \$62.00 \$900.64	23.34 31.84 0.00 0.00 77.08 56.36 51.14	\$434.65 \$178.59 \$100.00 (\$66.36) \$165.48 \$48.00 \$860.36
Budgeted Expenditures Total	\$76,464.35	\$65,541.00	85.71	\$10,923.35

NextGen Outreach Activities

FY 2019 - 2020 July 1, 2019 - June 30, 2020

- Nebraska Agriculture Youth Institute Career Fair, Lincoln July 11, 2019
- Rural Response Council, Lincoln July 16, 2019
- Husker Harvest Days, Grand Island September 10-12, 2019
- Nebraska Farm Bureau's Ag Leaders Group, Lincoln October 17, 2019
- Nebraska Farm Bureau Newswire Interview October 17, 2019
- Nebraska Farm Bureau News Release November 19, 2019
- AgCeptional Women's Conference, Norfolk November 22, 2019
- Rural Response Council, Lincoln December 20, 2019
- Rural Response Council, Lincoln February 14, 2020
- AgrAbility Advisory Council Meeting, Kearney February 19, 2020
- Women in Ag Conference, Kearney February 20-21, 2020
- Beginning Farmer & Rancher Development Meeting, Lincoln February 24, 2020
- Governor's Ag Conference, Kearney March 9-10, 2020
- NextGen article during National Ag Week: Gothenburg Times, Lexington Clipper, Gothenburg Leader, North Platte Telegraph week of March 23, 2020
- Coalition of Agricultural Mediation Programs Annual Meeting, virtual due to Covid-19 April 20-21, 2020