



Annual Report
July 1, 2019 – June 30, 2020

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
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
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**NextGen
Board Meeting Dates
and
Attendees**

**FY 2019 – 2020
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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

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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

Tax Year Participation	2015		2016		2017		2018		2019		2015 - 2019		Totals - 2001 to 2019	
											Last 5 Yrs Total & Avg		Since the Beginning	
# of Owners Receiving Tax Credit		178	233	259	303	250					1223		2593	
Total Tax Credits Paid to Owners	\$	947,904	\$ 1,140,155	\$ 1,283,928	\$ 1,470,194	\$ 1,266,626	\$	\$ 1,266,626	\$	\$ 6,108,807	\$	\$	\$ 13,528,683	
Average Tax Credit per Owner	\$	5,325	\$ 4,893	\$ 4,957	\$ 4,852	\$ 5,067	\$	\$ 5,067	\$	\$ 4,995	\$	\$	\$ 5,217	
# of Beg. Farmers Paying Rent		145	172	217	268	235					1037		2147	
Total Rent Paid by Beg. Farmers	\$	7,871,791	\$ 9,835,160	\$ 11,197,860	\$ 12,848,552	\$ 11,125,488	\$	\$ 11,125,488	\$	\$ 52,878,851	\$	\$	\$ 113,795,747	
Average Rent Paid per Beg. Farmer	\$	54,288	\$ 57,181	\$ 51,603	\$ 47,942	\$ 47,343	\$	\$ 47,343	\$	\$ 50,992	\$	\$	\$ 53,002	
Applications Received		58	74	86	98	57					373		1023	

NextGen Financial Report

FY 2019 – 2020
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Account Code Description	Budgeted Amount	Year-To-Date	% of Budget	Variance-Favorable (Unfavorable)
<u>510000 Personal Services</u>				
511100 Permanent Salaries – Wages	\$43,739.38	\$31,548.13	72.13	\$12,191.25
512100 Vacation Leave Expense	\$60.08	\$2,407.36	4006.92	(\$2,347.28)
512200 Sick Leave Expense	\$156.97	\$2,414.46	1538.17	(\$2,257.49)
512300 Holiday Leave Expense	\$79.29	\$1,890.29	2384.02	(\$1,811.00)
515100 Retirement Plans Expense	\$3,302.41	\$2,865.04	86.76	\$437.37
515200 FICA Expense	\$3,339.95	\$2,472.27	74.02	\$867.68
515400 Life & Accident Insurance Exp	\$12.24	\$0.00	0.00	\$12.24
515500 Health Insurance Expense	\$15,261.83	\$14,948.11	97.94	\$313.72
516300 Employee Assistance Program	\$15.00	\$0.00	0.00	\$15.00
516500 Workers Comp Premiums	\$363.00	\$531.84	146.51	(\$168.84)
<u>510000 Personal Services Total</u>	\$66,330.15	\$59,077.50	89.07	\$7,252.65
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$389.27	\$429.18	110.25	(\$39.91)
521400 Data Processing Expense	\$5,823.44	\$3,800.01	65.25	\$2,023.43
521412 OCIO – Voice Expense	\$552.63	\$385.06	69.68	\$167.57
521500 Publication & Print Expense	\$1,208.66	\$519.17	42.95	\$689.49
522200 Conference Registration	\$5.00	\$22.85	457.00	(\$17.85)
531100 Office Supplies Expense	\$88.00	\$0.00	0.00	\$88.00
533900 Food Expense	\$25.20	\$25.20	100.00	\$0.00
533901 Food-Official Function	\$0.00	\$92.66	0.00	(\$92.66)
534946 Promotional Supplies	\$81.00	\$9.25	11.42	\$71.75
541100 Accounting & Auditing Service	\$100.00	\$205.59	205.59	(\$105.59)
541200 Purchasing Assessment	\$25.00	\$7.65	30.60	\$17.35
541400 HRMS Assessment	\$75.00	\$51.24	68.32	\$23.76
559100 Other Operating Expense	\$0.00	\$15.00	0.00	(\$15.00)
<u>520000 Operating Expenses Total</u>	\$8,373.20	\$5,562.86	66.44	\$2,810.34
<u>570000 Travel Expense</u>				
571100 Board & Lodging	\$567.00	\$132.35	23.34	\$434.65
571600 Meals – Not Travel Status	\$262.00	\$83.41	31.84	\$178.59
571900 Meals – One Day Travel	\$100.00	\$0.00	0.00	\$100.00
573100 State-Owned Transport	\$0.00	\$66.36	0.00	(\$66.36)
574500 Personal Vehicle Mileage	\$722.00	\$556.52	77.08	\$165.48
575100 Misc Travel Expenses	\$110.00	\$62.00	56.36	\$48.00
<u>570000 Travel Expense Total</u>	\$1,761.00	\$900.64	51.14	\$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