



**Annual Report**  
**July 1, 2022 – June 30, 2023**

**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 2022 – 2023**  
**July 1, 2022 – June 30, 2023**

Name	Representing
Sherry Vinton	Director Nebraska Department of Agriculture
Samantha Smith (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture
Glen White	Interim 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
Dave Nielsen	Producer, District 1
John Walvoord	Producer, District 2
Britt Anderson	Producer, District 3

## Staff Members

Joline Gordon	Administrative Technician
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# NextGen Board Meeting Dates and Attendees

**FY 2022 – 2023**  
**July 1, 2022 – June 30, 2023**

Meeting Date	Members Attending	Guests Attending	Staff Attending
December 14, 2022	Britt Anderson Karla Bahm Brad Lubben Garrett Nedved Dave Nielsen Wade Thornburg John Walvoord	Andrew Dunkley, Nebraska Farm Bureau David Endorf, NextGen asset owner applicant Steve Wellman, Director, Nebraska Department of Agriculture (NDA)	Joline Gordon
January 19, 2023	Britt Anderson Karla Bahm Brad Lubben Garrett Nedved Dave Nielsen Wade Thornburg John Walvoord	Hilary Maricle, Deputy Director, NDA Jeff Peterson, University of Nebraska (UNL) Sherry Vinton, Director, NDA Cory Walters, UNL	Joline Gordon
June 22, 2023	Britt Anderson Brad Lubben Garrett Nedved Dave Nielsen Samantha Smith Wade Thornburg John Walvoord	Senator Tom Brandt Joshua Dethlefsen, Nebraska Attorney General's Office Hilary Maricle, Deputy Director, NDA Sherry Vinton, Director, NDA Travis Waldron, Legislative Aide, Senator Tom Brandt	Joline Gordon

# **NextGen Administrative Notes**

**FY 2022 – 2023  
July 1, 2022 – June 30, 2023**

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 an agricultural producer from each of the three Congressional Districts. Board members serve a four-year term.

Senator Tom Brandt, District 32, introduced LB116 during the 108<sup>th</sup> legislative session. LB116 proposed to change the net worth requirement from \$250,000 to \$1,000,000 for beginning farmer applicants, excluding pension, retirement, or other types of deferred benefit accounts. LB116 also proposed to remove the congressional district requirement for board members.

In late February, an amendment was proposed to lower the net worth requirement to \$750,000 and place a maximum cap of \$5,000,000 on tax credits per year. In early May, Senator Brandt amended LB116 into Senator Dorn's E-15 Access Standard Act (LB562) to ensure LB116 had a chance to pass. In this amendment, the cap on tax credits was decreased to \$2,000,000 annually. LB562 passed on May 30, 2023 and was signed into law on June 1, 2023. The changes to the Beginning Farmer Tax Credit Act become effective September 2, 2023.

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.

In January 2023, NDA welcomed a new Director and Deputy Director. Director Sherry Vinton comes to us after serving as the vice president for Nebraska Farm Bureau. Deputy Director Hilary Maricle joins us after serving on UNL Extension's Leadership team.

In February 2023, NDA welcomed a new program administrator for the NextGen program. Samantha Smith comes to NDA with a background in veterinary medicine and is excited to help beginning farmers grow their operations in Nebraska.

## Participant Statistics As Reported for the Tax Year

Tax Year Participation	2018		2019		2020		2021		2022		2018 - 2022		Totals - 2001 to 2022	
											Last 5 Yrs Total & Avg		Since the Beginning	
# of Owners Receiving Tax Credit	303		250		260		228		204		1245		3285	
Total Tax Credits Paid to Owners	\$ 1,470,194		\$ 1,266,626		\$ 1,412,692		\$ 1,279,174		\$ 1,791,418		\$ 7,220,105		\$ 18,011,968	
Average Tax Credit per Owner	\$ 4,852		\$ 5,067		\$ 5,433		\$ 5,610		\$ 8,781		\$ 5,799		\$ 5,483	
# of Beg. Farmers Paying Rent	268		235		209		174		157		1043		2687	
Total Rent Paid by Beg. Farmers	\$ 12,848,552		\$ 11,125,488		\$ 12,054,169		\$ 11,044,829		\$ 14,976,807		\$ 62,049,844		\$ 151,871,552	
Average Rent Paid per Beg. Farmer	\$ 47,942		\$ 47,343		\$ 57,675		\$ 63,476		\$ 95,394		\$ 59,492		\$ 56,521	
Applications Received	98		57		62		73		29		319		1187	







# NextGen Financial Report

**FY 2022 - 2023**  
**July 1, 2022 - June 30, 2023**

Account Code Description	Budgeted Amount	Year-To-Date	% of Budget	Variance-Favorable (Unfavorable)
<u>510000 Personal Services</u>				
511100 Permanent Salaries-Wages	\$44,495.00	\$34,247.73	76.97%	\$10,247.27
512100 Vacation Leave Expense	\$0.00	\$4,333.86	0.00%	(\$4,333.86)
512200 Sick Leave Expense	\$0.00	\$2,226.32	0.00%	(\$2,226.32)
512300 Holiday Leave Expense	\$0.00	\$2,104.11	0.00%	(\$2,104.11)
515100 Retirement Plans Expense	\$3,337.00	\$3,212.42	96.27%	\$124.58
515200 FICA Expense	\$3,404.00	\$2,908.82	85.45%	\$495.18
515500 Health Insurance Expense	\$17,495.00	\$15,886.89	90.81%	\$1,608.11
516500 Workers Comp Premiums	\$0.00	\$560.29	0.00%	(\$560.29)
<u>510000 Personal Services Total</u>	<u>\$68,731.00</u>	<u>\$65,480.44</u>	<u>95.27%</u>	<u>\$3,250.56</u>
<u>520000 Operating Expenses</u>				
521100 Postage Expense	\$400.00	\$290.64	72.66%	\$109.36
521400 Data Processing Expense	\$2,800.00	\$3,211.60	114.70%	(\$411.60)
521401 NDA Data Center	\$1,300.00	\$385.44	29.65%	\$914.56
521412 OCIO-Voice Expense	\$400.00	\$285.30	71.33%	\$114.70
521500 Publication & Print Expense	\$0.00	\$179.44	0.00%	(\$179.44)
522200 Conference Registration	\$0.00	\$7.50	0.00%	(\$7.50)
523900 Teammate Recognition	\$0.00	\$26.97	0.00%	(\$26.97)
524600 Rent Expense-Buildings	\$191.00	\$191.28	100.15%	(\$0.28)
524744 Exhibit Space	\$0.00	\$17.50	0.00%	(\$17.50)
531100 Office Supplies Expense	\$25.00	\$0.80	3.20%	\$24.20
534946 Promotional Supplies	\$0.00	\$75.50	0.00%	(\$75.50)
538182 Gas Expense	\$0.00	\$32.91	0.00%	(\$32.91)
541100 Accounting & Auditing Services	\$200.00	\$127.95	63.98%	\$72.05
541400 HRMS Assessment	\$100.00	\$70.12	70.12%	\$29.88
559100 Other Operating Expense	\$0.00	\$20.00	0.00%	(\$20.00)
559122 Nonstate Meals & Food	\$0.00	\$84.18	0.00%	(\$84.18)
<u>520000 Operating Expenses Total</u>	<u>\$5,416.00</u>	<u>\$5,007.13</u>	<u>92.45%</u>	<u>\$408.87</u>
<u>570000 Travel Expenses</u>				
571100 Board & Lodging	\$1,600.00	\$37.04	2.32%	\$1,562.96
571600 Meals-Not Travel Status	\$0.00	\$168.80	0.00%	(\$168.80)
571800 Taxable Travel Expenses	\$0.00	\$8.00	0.00%	(\$8.00)
573100 State-Owned Transport	\$0.00	\$25.60	0.00%	(\$25.60)
574500 Personal Vehicle Mileage	\$0.00	\$1,240.79	0.00%	(\$1,240.79)
574600 Contractual Serv-Travel Exp	\$0.00	\$22.35	0.00%	(\$22.35)
575100 Misc Travel Expenses	\$0.00	\$24.00	0.00%	(\$24.00)
<u>570000 Travel Expenses Total</u>	<u>\$1,600.00</u>	<u>\$1,526.58</u>	<u>95.41%</u>	<u>\$73.42</u>
<b>Budgeted Expenditures Total</b>	<b>\$75,747.00</b>	<b>\$72,014.15</b>	<b>95.07%</b>	<b>\$3,732.85</b>

# **NextGen Outreach Activities**

**FY 2022 – 2023  
July 1, 2022 – June 30, 2023**

- Rural Response Council, virtual – July 19, 2022
- Nebraska Pork Expo, York – July 20, 2022
- Roundtable Discussion w/Senators, Ag Leaders, FSA, Lincoln – July 21, 2022
- Governor’s Ag & Economic Development Summit, Kearney – August 10, 2022
- Beginning Farmer and Rancher Network Meeting, Lincoln – August 11, 2022
- USDA FSA Newsletter – August 2022
- Land Access Policy Incentive Community of Practice virtual meeting – August 18, 2022
- NDA Ag Update NextGen Feature – August 22, 2022
- UNL Gudmundsen Ranch Open House, Whitman – August 24, 2022
- Husker Harvest Days, Grand Island – September 13-15, 2022
- NDA Ag Update Husker Harvest Days Announcement – September 2, 2022
- Center for Rural Affairs Article – New and Retiring Farmers Can Benefit From Beginning Farmer Tax Credit – October 6, 2022
- NDA News Release Net Worth Raised – October 7, 2022
- NDA Social Media on Net Worth – October 7, 2022
- Norfolk Nebraska Radio Net Worth Eligibility – October 10, 2022
- Northeast Community College Career Fair, Norfolk – October 11, 2022
- NDA Ag Update NextGen Feature – October 14, 2022
- Nebraska Farm Bureau Newswire Net Worth Raised – October 14, 2022
- Rural Response Council virtual meeting – October 18, 2022
- Morning Ag Clips Net Worth Eligibility – October 19, 2022
- UNL Crop Watch Net Worth Eligibility – October 21, 2022
- Land Access Policy Incentive Community of Practice virtual meeting – November 17, 2022
- Ag-Ceptional Women’s Conference, Norfolk – November 18, 2022
- Beginning Farmer and Rancher Network Meeting, Lincoln – November 30, 2022
- Rural Response Council, Lincoln – January 17, 2023

- Local Foods & Healthy Farms Conference, Aurora – February 3-4, 2023
- Land Access Policy Incentive Community of Practice virtual meeting – February 16, 2023
- UNL Amplify Conference, Lincoln – February 22, 2023
- Nebraska State Dairy Association Annual Conference, Columbus – February 23, 2023
- UNL Women in Agriculture Conference, Kearney – February 23-24, 2023
- Irrigation Today interview – February 27, 2023
- Nebraska College of Technical Agriculture Class Presentation, Curtis – March 7, 2023
- Beginning Farmer and Rancher Network Meeting, Lincoln – March 9, 2023
- AgrAbility Advisory Council Meeting, Kearney – April 5, 2023
- Rural Response Council Meeting, Lincoln – April 18, 2023
- Land Access Policy Incentive Community of Practice virtual meeting – May 18, 2023
- National Council of State Agricultural Finance Programs Meeting – June 20, 2023