

This column features questions from landowners submitted via the Web site. To submit a question to Small Acre Sam, visit BarnyardsandBackyards.com. If your question is featured, you will receive a free one-year subscription to *Barnyards and Backyards!*



ask
Sam

question

What qualifies my small acreage for agricultural tax designation?

– John from Sheridan

answer

John, your question is a good one and a fairly common question. Wyoming property taxes are rooted in Wyoming law with rules administered by the Wyoming Department of Revenue. The entity that sets the value of property and levies the tax is your county assessor. Your question about agricultural tax designation for your small acreage really needs some background information. I'll borrow heavily from the Department of Revenue's Web site in the rest of the answer.

All property tax is based on the assessed value of the property, a percent of the fair market value of the property. The assessed or taxable value of non-mineral or non-industrial properties is set at 9.5 percent of the fair market value. Agricultural lands enjoy sort of an exemption in that their assessed value is set at the lower of either fair market value or productive value. Generally, agriculture lands have lower productive value than fair market value and thus there is considerable interest in gaining that status for high value small-acreage parcels.

To be considered "agricultural land," the parcel must currently and for the past two years have been used for the primary purpose of obtaining a monetary profit as agricultural or horticultural use unless legally zoned otherwise by a zoning authority.

Wyoming uses several criteria for determining suitability for inclusion in the agriculture land category:

1. The land is being used for an agricultural purpose, which includes: a.) cultivation of the soil for production of crops; or b.) production of timber products or grasses for forage; or c.) rearing, feeding, grazing, or management of livestock.
2. The land is not part of a platted subdivision.
3. If the land is not leased land, the owner has derived annual gross revenues of not less than \$500 from the marketing of agricultural products. If the land is leased, the lessee has derived annual gross revenue of not less than \$1,000 from marketing of agricultural products.
4. The land is being consistent with its capability to produce.

If you believe your land may qualify to be taxed as agricultural land (at its productive value) but is being taxed at fair market value, you must first visit with your county assessor. Your assessor will listen to your reasoning and make a decision. If that decision is not what you wanted, there is an appeals process through the county and state boards of equalization.

– Sam