Tax Expenditure Review Commission Member Evaluation Summary: TEB 1.6.22 Beginning Farmer Management Credit

Tax Expenditure Facts

Year of Adoption: 2017
Statute: Minnesota Statutes 2025, section 290.06, subdivision 38 and section 41B.0391
Tax Type: Individual Income Tax
Provision Type: Nonrefundable Credit
Latest Fiscal Impact Estimate: $500,000 – Fiscal Year 2027
Latest Claims Estimate: 261 – Tax Year 2023
Sunset Date: December 31, 2030

This expenditure is the result of state conformity to the Federal Code: No

Commission Approved Objective:

The objective of the Beginning Farmer Management Credit is to incentivize beginning farmers to participate in a financial management program approved by the Rural Finance Authority (RFA) to improve the farming operation success rate in the state of Minnesota.

Member Responses

Business (check all that apply):

	Choice Count
Job Creation & Maintenance	4
Investment	3
Competitiveness/Strategic	1
Health/Environmental/Social Justice	0
Other	0

Individual (check all that apply):

	Choice Count
Relief of Poverty	1
Progressivity/Assistance to Low Earners	0
Access to Opportunity	4
Health/Environment/Social Justice	0
Other	0

Recommendation to the Legislature

	Continue	Repeal	Modify	Total
Choice Count	4	0	1	5

Measurement and Effectiveness Ratings Summary

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Total
We can measure the overall benefit towards achieving the objective(s).	0	0	0	2	3	5
The expenditure's benefit justifies its fiscal cost.	0	0	0	2	3	5
The expenditure is claimed by its intended beneficiaries.	0	1	0	0	4	5
The expenditure is claimed by a broad group of taxpayers.	0	1	3	1	0	5
The expenditure amount claimed per taxpayer is meaningful as an incentive/benefit.	0	0	0	2	3	5
The expenditure is relevant today.	0	0	0	1	4	5
The expenditure is primarily beneficial to smaller businesses.	0	0	0	3	2	5
The expenditure is primarily beneficial to lower income taxpayers.	0	1	3	1	0	5

Member Comments

During our discussion it was noted that families can begin to qualify for this credit, which has accelerated how quickly the credit is exhausted. One modification could be to remove that qualification and focus efforts on emerging farmers who are likely priced out of the market to purchase land or equipment. The purpose of this bill was to ensure that newer farmers, farmers who needed support in buying land because of limited access to loans, could be farmers. We have many small farmers across the state from varied backgrounds and this credit should continue going to support their efforts. A separate pool of funds could be made to entice people who want to keep a farm as a family business if necessary.