

Assessment of Farmland Not in an Exclusive Farm-Use Zone



This information circular explains farm-use assessments on farmland that is not in an exclusive farm-use (EFU) zone. If you are not sure in what zone your land is located, check with your local planning office or your county assessor's office. For information about farm-use assessment on land in an EFU zone, see the information circular, "Assessment of Farmland in an Exclusive Farm-Use Zone," 150-303-644. Write: Publications, Oregon Department of Revenue, 955 Center Street, NE, Salem OR 97301-2555.

What land qualifies for farm-use assessment?

If land is not in an EFU zone but is used as farmland, it may receive the same assessment given to all qualifying EFU farmland. The qualification of farmland to special assessment is determined as of January 1.

To qualify, you must file an application with your county assessor on or before **April 1** of the first year you desire special assessment. Additionally, the land must meet these standards:

- Your land must be currently used, and have been used, for the two previous years **exclusively** for farm use (see farm use definition), **and**
- Your land must meet the income requirement in three of the five previous years (see Income requirement).

Owners and lessees of farmland must file a Schedule F showing farm income and, if applicable, a schedule showing rental income with their excise or personal income tax return to qualify for farm-use special assessment.

Farm use defined

Oregon Revised Statute 308A.056 defines "farm use" in part, as follows:

"Farm use" means the **current employment of land for the primary purpose of obtaining a profit in money** by:

- Raising, harvesting, and **selling** crops;
- Feeding, breeding, management, and **sale** of, or the production of, livestock, poultry, fur-bearing animals, or honeybees;
- Dairying and selling dairy products;
- Stabling or training equines;

- Propagation, cultivation, maintenance, and harvesting of aquatic, bird, and animal species allowed by rules adopted by the State Fish and Wildlife Commission;
- Preparation, storage, and disposal by marketing, donation to a local food bank or school or otherwise, of the products or by-products raised on such land for human and animal use;
- Any other agricultural or horticultural use, animal husbandry, or any combination thereof; or
- Growing cultured Christmas trees and hybrid hardwoods (cottonwoods) on cropland under intensive cultivation.

Farm use may also include:

- Water impoundments lying in or adjacent to and in common ownership with farm-use land;
- A woodlot, not to exceed 20 acres, contiguous to and owned by the owner of the farm-use land;
- Wasteland and land under dwellings (including dwelling on-site improvements) used in conjunction with the farm may also receive a special valuation if:
 1. The farm unit produces over one-half of the adjusted gross personal income the owner(s) receives; **and**
 2. You file an application on or before April 15 **each year** with the county assessor.
- Land under farm related buildings.

Note: Land under buildings used as processing facilities greater than 10,000 square feet of floor area, that are not an accepted farming practice, do not qualify for farm use special assessment.

The farm use activity needs to be in accordance with an "accepted farming practice," which means the farming is conducted in a "mode of operation that is common to farms of a similar nature, necessary for the operation of such farms to obtain a profit in money, and customarily utilized in conjunction with farm use."

"Accepted farming practice" varies widely depending on the farming activity being conducted and geographical differences. An excellent source of information is the county's Oregon State University Extension Service.