

**CURRENT USE – GENERAL INFO VT TAX WEB SITE NOVEMBER 12, 2007
USE VALUE APRAISAL OF AGRICULTURAL, FOREST, CONSERVATION AND FARM
BUILDINGS PROPERTY**

Chapter 124 of Title 32 provides for a program which taxes farm and forest property according to its use value. The purpose of the chapter is to keep agricultural and forest land in production, and to slow development of these lands.

Enrolled property must remain in agriculture, forest or conservation use to be taxed at use value. If the property is developed, a land use change tax will be due. If only a portion of the property is developed, the penalty will apply only to that portion.

Completed applications are due by September 1, for enrollment the following tax year. For parcels which contain managed forest land or conservation land, 3 copies of the map and one copy of the forest or conservation management plan are due on October 1. For parcels which do not contain managed forest or conservation land, maps are due on September 1 with the application.

By April 15, applicants will be notified of the Director's decision concerning the parcel's eligibility and the use value for the current tax year. If the landowner does not file a formal withdraw with the Director, the property will be enrolled as of the date of the grievance hearing of the town where the parcel is located.

Once enrolled, the property will automatically continue in the program, unless it is withdrawn by the owner or the division of property valuation and review, it is converted or developed, or it becomes ineligible. Whenever property is withdrawn, developed or becomes ineligible, a Notice of Development or Discontinuance will be issued for the affected tax year. A Notice of Assessment will also be issued stating the fair market value of the withdrawn portion and for any developed portion and the amount of any land use change tax that may be due.

Below are brief statements about the eligible property, tax benefits, and the penalty for development or conversion.

Agricultural Land:

At least 25 contiguous acres in active agricultural use; or smaller parcels which generate at least \$2,000 annually from the sale of farm crops; or actively used agricultural land owned by or leased to a farmer. Taxed at use value. Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

Forest Land:

At least 25 contiguous acres of forest land managed according to state standards and an approved forest management plan. Taxed at use value. Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

Conservation Land:

Any land, exclusive of any house site which is certified under subsection 6306(b) or Title 10, is owned by an organization that was certified by the commissioner of taxes as a qualified organization as defined in 10 V.S.A. § 6301a and for at least five years preceding its certification was determined by the Internal Revenue Service to qualify as Section 501 (c)(3) organization which is not a private foundation as defined in Section 509(a) of the Internal Revenue Code, and is under active conservation management in accord with standards established by the commissioner of forests, parks and recreation. Taxed at use value. Perpetual obligation to pay land use change tax of 10% or 20% of fair market value of developed portion.

Farm Buildings:

Eligible farm buildings include all farm buildings and other farm improvements which are actively used by a farmer as part of a farming operation, are owned by a farmer or leased to a farmer under written lease for a term of three years or more, and are situated on land that is enrolled in a use value appraisal program or on a house site adjoining enrolled land. With respect to farm buildings, use value appraisal means 30 percent of fair market value.

For More Information Contact Property Valuation and Review (802) 828-5861