



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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MEMORANDUM

TO: Municipal & County Assessors & County Tax Administrators

FROM: Patricia Wright, Deputy Director, Division of Taxation

DATE: July 14, 2015

SUBJECT: Clarifying the Completion of the New Supplemental Farmland Assessment Gross Sales Form, FA-1 G.S.

USE & NUMBER OF GROSS SALES FORMS REQUIRED: The Gross Sales Form, FA-1 G.S., is a State-issued form and its use is mandatory. Only one Gross Sales Form is required for each farming operation where there are contiguous block and lots under unified title, i.e., single ownership.

TOTAL ACRES BOX: The number in this box should reflect the total number of acres qualified under Farmland Assessment and should correspond with Section 2, Line 8 on the Farmland Assessment Application, Form FA-1. However, this number may or may not correspond exactly with the number of acres when totaled in Section II of the Gross Sales Form, FA-1 G.S., as these acres are only income generating acres and would not necessarily include, for example, appurtenant woodland/wetland acres or fallowed acres for the year in question.

FINAL INCOME BOX: The number in this box should be the gross sales amount and should reflect the actual income earned or anticipated income to be earned in calendar tax year 2015 to qualify for Farmland Assessment in 2016. As noted on the form, the number in this box should be sufficient to meet (equal or exceed) the minimum dollar amount of gross sales needed to qualify for Farmland Assessment in relation to each particular farm's acreage.

PROOFS OF INCOME REQUIRED: The FA-1 G.S. has been promulgated pursuant to N.J.S.A. 54:4-23.14, which mandated that gross sales be reported, "in a manner prescribed by the director." As such, it is the uniform gross sales reporting form statewide and is sufficient proof in and of itself when filed together with the FA-1 and WD-1 Forms. The applicant is signing the form as if under oath, and he or she will be subject to the same penalties as provided by law for perjury, as well as an additional civil penalty of \$5,000 for gross and intentional misrepresentation. Requests by assessors for additional proofs, such as sales receipts or a Schedule F, should only be made when the accuracy of the information submitted by the Farmland Assessment applicant is called into doubt.

The current N.J. Administrative Code for Farmland Assessment at N.J.A.C. 18:15-3.5 provides, in pertinent part, "Additional proof may be required by the assessor:

(a) Each assessor may at any time require the submission of such additional proof as deemed necessary to establish the right of an applicant to Farmland Assessment.

(b) The applicant, on request of the assessor, shall furnish proof of all the prerequisites necessary to show the land is eligible for Farmland Assessment, such as:

1. Unified title or single ownership; 2. Description; 3. Area; 4. Agricultural & horticultural uses; 5. Substantiated evidence of gross sales of agricultural or horticultural products sufficient to meet the minimum requirements for qualification; 6. Fees received for boarding, rehabilitating, or training livestock; and 7. Proof of enrollment and payments in an approved soil conservation program from an agency of the Federal government.”

TENANT FARMER’S SIGNATURE: As the Claimant/Recipient of preferential Farmland Assessment, it is the property owner’s responsibility to confirm gross sales amounts where there is a tenant farmer working the land. While the property owner’s signature is required as the Farmland Assessment Claimant/Recipient, the lack of the tenant farmer’s signature is not by itself sufficient cause for denial.

Hopefully, this information will help to address some of the concerns of the farming and assessing communities with respect to the new Farmland Assessment criteria and reporting form. If you have any questions, contact: Susan Dobay, (609) 633-8443; Pamela Allen, (609) 633-2635; Diane Breyer, (609) 943-4401; Kevin Boyle, (609) 292-7202.