New York State Department of Taxation and Finance

Instructions for Form IT-217
Claim for Farmers' School Tax Credit

IT-217-I

2010

Temporary deferral of certain tax credits

For tax years beginning on or after January 1, 2010, and before January 1, 2013, if the total amount of certain credits that you may use to reduce your tax or have refunded to you is greater than $2 million, the excess over $2 million must be deferred to, and used or refunded in, tax years beginning on or after January 1, 2013. For more information about the credit deferral, see Form IT-500, *Income Tax Credit Deferral*.

If you are subject to the credit deferral, you must complete all credit forms without regard to the deferral. However, the credit amount that is transferred to your tax return to be applied against your tax due or to be refunded to you may be reduced. Follow the instructions for Form IT-500 to determine the amounts to enter on your tax return.

General information

Introduction

An individual or an estate or trust engaged in the business of farming may be entitled to an income tax credit for the amount of eligible school district property taxes paid on qualified agricultural property. In addition, if a partnership (including a limited liability company treated as a partnership), a New York S corporation, a New York C corporation that has a special gross income from farming election on Form CT-47.1, *Election or Termination of Election to Deem Income for Purposes of the Farmers' School Tax Credit,* or an estate or trust is engaged in the business of farming or owns qualified agricultural property, an individual or an estate or trust that is a partner, member, shareholder, or beneficiary of the entity may be entitled to the credit. If the credit exceeds the taxpayer's tax for the year, the excess credit will be refunded, without interest. For more information concerning this credit, you may request a copy of Publication 51, *Questions and Answers on New York State's Farmers' School Tax Credit.*

Purpose of form

Form IT-217 is used to determine if you are eligible to claim the farmers' school tax credit and to determine the amount of the credit. If you are engaged in the business of farming (see *Definitions* below), complete Part 1 of Form IT-217 to determine if you are eligible to claim the farmers' school tax credit.

Definitions

You are *engaged in the business of farming* if you cultivate, operate, or manage a farm for gain or profit, even though the operation may not produce a profit every year.

You are *engaged in the business of farming* if you are a partner in a partnership, a shareholder in a New York S corporation, a shareholder in a New York C corporation that has a special gross income from farming election, or the beneficiary of an estate or trust that operates or manages a farm for gain or profit.

You are also *engaged in the business of farming* if you rent your farm property to another person who uses the property in agricultural production, and the rental arrangement meets one of the following conditions:

— The amount of the rental is a crop share (shared rental agreement); that is, the amount of rent is based upon the actual production of the land, whether paid to you in cash or in kind; **or**

— You have an arrangement with your tenant for your participation in the farm business, and you meet **one** of the following four tests:

Test 1 – You do **any** three of the following: (1) pay or stand good for at least half of the direct costs of producing the crop; (2) furnish at least half of the tools, equipment, and livestock used in producing the crop; (3) consult with your tenant; and (4) inspect the production activities periodically.

Test 2 – You regularly and frequently make, or take an important part in making, management decisions substantially contributing to or affecting the success of the enterprise.

Test 3 – You work 100 hours or more spread over a period of five weeks or more in activities connected with crop production.

Test 4 – You do things which, considered in their total effect, show that you are materially and significantly involved in the production of farm commodities.

Farming includes the operation or management of livestock, dairy, poultry, fish, fruit, fur-bearing animal, and vegetable (commonly referred to as truck) farms. *Farming* also includes the operation or management of plantations, ranches, ranges, and orchards. For example, *farming* includes, but is not limited to, the raising or production of the following commodities:

— field crops, including corn, wheat, oats, rye, barley, hay, potatoes, and dry beans;

— fruits, including apples, peaches, grapes, cherries, and berries;

— vegetables, whether raised conventionally or hydroponically, including tomatoes, snap beans, cabbage, carrots, beets, and onions;

— horticultural specialties, including nursery stock, ornamental shrubs and ornamental trees, and flowers;

— livestock and livestock products, including cattle, sheep, hogs, goats, horses, poultry, farmed deer, farmed buffalo, ostrich, emus, fur-bearing animals, milk, and eggs;

— aquaculture products, including fish, fish products, water plants, and shellfish (provided the aquaculture products are grown and raised as opposed to merely being harvested or caught);

— honey and beeswax produced from your own bees; **and**

— maple syrup or cider, regardless of whether the income from these operations is includable on federal Schedule C, *Profit or Loss from Business*, or Schedule F, *Profit or Loss From Farming*.

Farming also includes:

1) the sale of wine from a licensed farm winery as provided in Article 6 of the Alcoholic Beverage Control Law,

2) the commercial boarding and training of horses as defined in section 301(13) of the Agriculture and Markets Law, **and**

3) the growing of Christmas trees.

You are **not** engaged in the business of farming if your principal source of income is from providing agricultural services, such as soil preparation, veterinary services, or farm labor. You are not engaged in the business of farming if you manage or operate a farm for a salary or fee. Furthermore, if you are cultivating or operating a farm for recreation or leisure (such as, a hobby farm), you are not engaged in the business of farming. Also forestry and logging is not farming unless the products are used in the operation of a farm or are connected with an otherwise qualifying farm operation as described above (that is, the income from these operations is properly reportable on federal Schedule F).

How to claim the credit

File Form IT-217 if you are an individual or the fiduciary of an estate or trust, and you qualify for the farmers' school tax credit (see *Line instructions* on page 2 if you are the fiduciary of an estate or trust that distributes all its income).

A partnership or New York S corporation does not file Form IT-217. However, a partnership or S corporation must inform its partners or shareholders of their share of acres of qualified agricultural property, eligible taxes, acres of qualified agricultural property converted to nonqualified use, and acres of qualified conservation property.

In addition, a New York C corporation that has a special gross income from farming election does not file Form IT-217, but it must inform its shareholders of their pro rata shares of the corporation's (1) gross income, (2) gross income from farming, (3) entire net income, and (4) principal payments on farm indebtedness.

How to file your claim form

To claim the farmers' school tax credit you must file a New York State tax return for 2010. Attach your completed Form IT-217 to your return.

Line instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Individuals (including shareholders of a New York C corporation that has a special gross income from farming election)**:** Complete Parts 1, 2, and, if applicable, Part 6.

Partners, S corporation shareholders, and beneficiaries of estates and trusts: Complete Parts 1, 2, 3, 4, and, if applicable, Part 6.

Fiduciaries: Complete Parts 1, 2, 5, and, if applicable, Part 6.

Note: If you are the fiduciary of an estate or trust that distributes **all** its income to its beneficiaries, complete only Part 1, items A, B, and F; Part 5; and, if applicable, Part 6.

Caution: If you are married, your eligibility for the credit (see Part 1, items C and D) and the amount of the credit (see Part 2, line 15) may depend on whether you file a joint or separate New York return. However, in order to file separate New York returns, you generally must file separate federal returns. Since many federal and state tax benefits are eliminated or reduced when separate returns are filed, you may want to compute your federal and state taxes both ways to determine the most beneficial way to file.

Part 1 — Eligibility

This part is used to determine if you are eligible to claim the farmers' school tax credit.

Item A — Mark an ***X*** in the *Yes* box if:

1) you owned qualified agricultural property during 2010, **or**
2) you were a partner in a partnership, shareholder of a New York S corporation, or beneficiary of an estate or trust that owned qualified agricultural property during 2010, **or**
3) your father, mother, grandfather, grandmother, brother, or sister owned qualified agricultural property during 2010 and (a) you have a written agreement with the owner(s) that you intend to eventually purchase that qualified agricultural property, and (b) the owner(s) has given you a document stating that the owner(s) is waiving his/her right to claim the credit, if any, on the qualified agricultural property that is subject to the written agreement. Mark an ***X*** in the *Yes* box even if you did not actually pay the school district property taxes on the qualified agricultural property.

   The written agreement does not have to be in any particular legal form but it must be signed by all parties to the agreement and must have been in effect for at least part of the tax year to which the credit relates. The waiver document does not have to be in any particular form, but it can be for only one tax year and must include (1) the name of the owner(s), (2) the name of the relative with whom the owner(s) has entered into a written agreement to sell his/her qualified agricultural property, (3) a statement that the owner(s) is waiving his or her right to claim the farmers' school tax credit, (4) the tax year to which the waiver applies (i.e., 2010), (5) the date the agreement to sell was entered into, and (6) the signature of the owner(s). The waiver document must be given to you even if the owner(s) does not qualify to claim the farmers' school tax credit on the property. Once the waiver is made for a tax year, it cannot be revoked for that tax year, but the owner(s) may decide whether or not to issue a waiver for any subsequent tax year.

Qualified agricultural property you purchased under a land sales contract is considered owned by you if you are obligated under the land sales contract to pay the school district property taxes on the purchased property, and you are entitled to deduct those taxes as a tax expense for federal income tax purposes.

A *land sales contract*, commonly referred to as an *installment land contract*, is an agreement to transfer land ownership in exchange for a series of principal and interest payments. The seller does not transfer formal title to the property to the buyer until all or a certain number of payments are made. In addition to an *installment land contract*, a land sales contract may also be referred to as *contract for deed*, *bond for deed*, *conditional sale of real estate*, *contract for sale of land*, and *land contract*. A lease with an option to purchase type arrangement is **not** a land sales contract.

Qualified agricultural property includes land and land improvements located in New York State that are used in agricultural production. It also includes structures and buildings (except for buildings used by the taxpayer for residential purposes) that are located on the land and used or occupied to carry out agricultural production.

Agricultural production means those activities discussed under *engaged in the business of farming* on the front page.

Land used in agricultural production includes land under structures or buildings which are qualified agricultural property and land in support of a farm operation, such as farm ponds, drainage swamps, wetlands, and access roads. It also includes land set aside or retired under a federal supply management or soil conservation program and land that at the time it becomes subject to a conservation easement would have been *qualified agricultural property*.

A structure or building qualifies if it is used (1) in the raising and production for sale of agricultural or horticultural commodities, or (2) for the storage of agricultural commodities for sale at a future time, or (3) for the storage of supplies or for the storage or servicing of equipment necessary for agricultural or horticultural production.

A structure or building is not qualified agricultural property if it is used for (1) the processing of agricultural commodities, or (2) the retail merchandising of agricultural commodities, or (3) the storage of commodities for the personal consumption of you or your family, or (4) your residence or the residence of your immediate family.

Note: In the case of the production of maple syrup or cider, and the sale of wine from a farm winery, buildings and structures used to process the sap into syrup, the apples into cider, or grapes into wine are considered qualified agricultural property even though the property is used in processing.

Processing means doing something to a farm commodity beyond what is needed to make it initially marketable. The mere sorting, washing, and packaging of fruits and vegetables is not considered processing.

Your *residence* includes a house, mobile home, etc., and any other buildings associated with it, such as garages or sheds, that are used by you or your immediate family for residential purposes.

Item B — If (1) you paid eligible school district property taxes on qualified agricultural property during 2010, or (2) you were a partner in a partnership, shareholder of a New York S corporation, or beneficiary of an estate or trust that paid eligible school district property taxes on qualified property during 2010, or (3) your father, mother, grandfather, grandmother, brother, or sister paid eligible school district property taxes on qualified agricultural property during 2010 and you have a written agreement and waiver document as described in *Item A* above, mark an ***X*** in the *Yes* box.

Eligible school district property taxes are real property taxes levied by a school district on qualified agricultural property **owned** by you or owned by your father, mother, grandfather, grandmother, brother, or sister and (1) you have a written agreement with the owner(s) that you intend to eventually purchase that qualified agricultural property, even if you did not actually pay the school district property taxes on the qualified agricultural property, and (2) the owner(s) has given you a document stating that the owner(s) is waiving his/her right to claim the credit, if any, on the qualified agricultural property that is subject to the written agreement. Qualified agricultural property you purchased under a land sales contract is considered owned by you if you are obligated under the land sales contract to pay the school district property taxes on the purchased property and you are entitled to deduct those taxes as a tax expense for federal income tax purposes.

Real property taxes levied by towns, villages, cities, or other municipal governments are not eligible taxes. Eligible taxes include taxes paid on qualified agricultural property which you own but rent to someone else. However, eligible taxes do not include taxes paid on qualified agricultural property that you rent from someone else, even if the rental agreement provides that you must actually pay the taxes.

Real property taxes levied by a school district include all property taxes, special ad valorem levies, and special assessments levied by a school district. Also included are taxes levied by a school district for the support of local libraries. Penalties and interest are not included.

If you were a partner in a partnership, a shareholder of a New York S corporation, or the beneficiary of an estate or trust that owned qualified agricultural property during 2010, eligible taxes include your pro rata or distributive share of the taxes paid by the partnership, S corporation, or estate or trust for the year.

If you own both qualified agricultural property and nonqualified property, and you receive only one school tax bill for all the property, you must apportion the total school taxes paid between the qualified and nonqualified property based upon the value of the properties. Your local assessor may be able to tell you the value of your qualified and nonqualified property. If your assessor is unable to provide this information, you may use any other reasonable method, such as basing the value on the recent sale price of similar property in your area, to determine the value. In either case, you should keep records to substantiate how you allocated the taxes.

Item C — Complete Worksheet A below. In order to qualify for this credit, the amount shown on Worksheet A, line 6, must be less than $300,000.

Worksheet A

1 Enter your New York adjusted gross income from Form IT-201, line 33, Form IT-203, line 32, or Form IT-205, line B ..... **1.** _____

2 If your New York C corporation has a special gross income from farming election, enter your pro rata share of your New York C corporation's entire net income *(obtain this information from your corporation)* ..... **2.** _____

3 If your partnership or New York S corporation is a shareholder of a New York C corporation that has a special gross income from farming election, enter your share of the partnership's or S corporation's pro rata share of the New York C corporation's entire net income *(obtain this information from your partnership or S corporation)* ..... **3.** _____

4 Add lines 1 through 3 ..... **4.** _____

5 Enter the amount of **principal** paid on farm indebtedness during 2010 *(see instructions below)* .... **5.** _____

6 Subtract line 5 from line 4. If less than $300,000, mark an ***X*** in the *Yes* box in item C ..... **6.** _____

Farm indebtedness means debt incurred or refinanced that is secured by farm property, when the proceeds of the debt are used for expenditures incurred in the business of farming. Debt, or that portion of the debt, that is secured by your principal residence does not qualify, even if the proceeds of the loan are used for farm expenditures.

Also include on line 5 your share of the amount of principal paid on farm indebtedness from your partnership, New York S corporation, New York C corporation (if the New York C corporation has a special gross income from farming election), or estate or trust (obtain this information from your partnership, corporation, or estate or trust).

For filing status ③, *Married filing separate return:* if the debt is a joint obligation of you and your spouse, the amount of principal paid on farm indebtedness may be divided in any manner you wish.

Item D — Step 1: Complete Worksheet C on page 6 or Worksheet D on page 9, whichever is applicable. If the percentage shown on Worksheet C, line 28 or Worksheet D, line 28 is at least 0.6667 (66.67%), mark an ***X*** in the *Yes* box in Item D and continue with Item E. If the percentage shown is less than 0.6667 (66.67%), continue with Step 2.

Step 2: If the percentage shown in Step 1 is less than 0.6667 (66.67%), you may meet the eligibility requirement using your average federal gross income from farming for tax years 2008, 2009, and 2010. Complete lines 1 through 7 on page 4 to determine if you meet the eligibility requirement.

(continued)

1. Enter the amount from your **2010** Worksheet C or Worksheet D, line 26, whichever is applicable 1. _____
2. Enter the amount from your **2009** Worksheet C or Worksheet D, line 26, whichever is applicable.* ..... 2. _____
3. Enter the amount from your **2008** Worksheet C or Worksheet D, line 26, whichever is applicable.** .... 3. _____
4. Add lines 1, 2, and 3 ..... 4. _____
5. Divide line 4 by three ..... 5. _____
6. Enter the amount from your **2010** Worksheet C or Worksheet D, line 19, whichever is applicable ... 6. _____
7. Divide line 5 by line 6, and round the result to the fourth decimal place. If the percentage is at least 0.6667 (66.67%), mark an ***X*** in the *Yes* box in Item D and continue with Item E ..... 7. _____

* If you did not retain your 2009 Worksheet C or Worksheet D, whichever is applicable, complete Worksheet C-1 or Worksheet D-1 contained in these instructions, whichever is applicable, and enter the amount from line 7 on line 2 above. If you did not have any income from farming for tax year 2009, enter ***0*** on line 2 above.

** If you did not retain your 2008 Worksheet C or Worksheet D, whichever is applicable, complete Worksheet C-2 or Worksheet D-2 contained in these instructions, whichever is applicable, and enter the amount from line 7 on line 3 above. If you did not have any income from farming for tax year 2008, enter ***0*** on line 3 above.

Item E — If you and one or more related persons each owned qualified agricultural property on March 1, 2010, mark an ***X*** in the box at Item E. Also be sure to read the instructions for Part 2, line 5.

A *related person* includes your spouse (unless you are filing a joint return), and any C corporation (a corporation that is not a New York S corporation) of which you (and your spouse, if filing a joint return) collectively own more than 50% of the stock. A *related person* also includes any estate or trust in which you (and your spouse, if filing a joint return) collectively own more than 50% of the beneficial interest.

The following are examples of related persons:

— *You owned qualified agricultural property individually on March 1, 2010. You also are a 75% shareholder in a C corporation that owned qualified agricultural property on March 1, 2010. You and the corporation are related persons.*

— *If an estate or trust (or the grantor of the trust) owns more than 50% of a C corporation, or the corporation owns more than 50% of the estate or trust, the estate or trust and the corporation are related persons.*

— *If an estate or trust (or grantor of the trust) owns more than 50% of another estate or trust, the first estate or trust and the second estate or trust are related persons.*

— *If the same person owns more than 50% of a C corporation and more than 50% of an estate or trust, the corporation and the estate or trust are related persons.*

— *If the same person owns more than 50% of more than one estate or trust, the estates and trusts are related persons.*

Item F — You cannot claim the farmers' school tax credit for qualified agricultural property which is converted to nonqualified use during the tax year. If only part of your qualified agricultural property is converted to nonqualified use during the tax year, you can claim a credit for the part of the property that is not converted. In addition, you may be subject to the recapture provision (see the instructions for Part 6 on page 5).

Conversion to nonqualified use means an outward or affirmative act changing the use of agricultural land. The idling, non-use, or sale of the land is not by itself a conversion.

Example 1: *You sell 100 acres of land to a developer in 2010. The developer actually builds a housing development on the land during 2010, and as a result the land is no longer used in agricultural production. This is a conversion to nonqualified use.*

Example 2: *You discontinue farming during 2010, but continue to hold the farm property for investment purposes. This is* ***not*** *a conversion to nonqualified use.*

Example 3: *You sell qualified agricultural property to another person who continues to use the property in agricultural production. This is* ***not*** *a conversion to nonqualified use.*

Part 2 — Computation of credit

Line 1 — Enter the total **acres** of qualified agricultural property owned by you (and your spouse if filing a joint return) during 2010, and the number of acres owned by your father, mother, grandfather, grandmother, brother, or sister during 2010 that are covered by a written agreement and waiver document as described in *Item A* on page 2. Be sure to include the number of acres under buildings or structures that are qualified agricultural property.

For filing status ③, *Married filing separate return:* enter only the total acres of qualified property owned by you during 2010. If you and your spouse owned the qualified agricultural property jointly (such as joint tenants or tenants in common), each spouse can claim only one-half of the acreage amount unless you both agree to split the acreage in a different manner. If you both agree, you may split the acreage in any manner you wish.

If you marked the box at item F, do not include on line 1 the acres of property converted to nonqualified use.

Line 5 — Complete Worksheet B. Then continue with the line 5 instructions below.

Worksheet B

1	Initial base acreage	**1.**	350
2	Enter the acres of qualified conservation property you owned in 2010*	**2.**	_____
3	Total base acreage *(add lines 1 and 2)*	**3.**	_____

* *Qualified conservation property* is acreage that, during the tax year, is enrolled in or participating in a federal environmental conservation acreage reserve program under Title III of the Federal Agricultural Improvement and Reform Act of 1996.

Also include on line 2 your share of the acres of qualified conservation property from your partnership, New York S corporation, or estate or trust.

For filing status ③, *Married filing separate return:* enter only the total acres of qualified conservation property you owned in 2010. If you and your spouse owned the qualified conservation property jointly (such as joint tenants or tenants in common), each spouse can claim only one-half of the acreage amount unless you both agree to split the acreage in a different manner. If you both agree, you may split the acreage in any manner you wish.

If you did not mark an ***X*** in box E in Part 1, enter the amount from Worksheet B, line 3, on line 5. If you did mark box E in Part 1, you must allocate the amount from line 3 among yourself and the other related parties. The total base acres must be divided equally between the parties unless you all agree to a different division. If you all agree, you may divide the total base acres in any manner you wish. If you elect an unequal division, you must attach a statement to Form IT-217 that provides the following information:

— the name, address, and taxpayer identification number of the related person(s); **and**

— the amount of base acreage allocated to you and the related person(s).

The statement must be signed by you and by the related person(s) or by any person who is duly authorized to act on behalf of the related person(s).

Line 10 — Enter the eligible school taxes paid by you (and your spouse if filing a joint return) in 2010. Also enter the eligible school taxes paid in 2010 on property covered by a written agreement and waiver document as described in *Item A* on page 2 (even if you did not actually pay the taxes on the property).

For filing status ③, *Married filing separate return:* enter only the eligible taxes paid on qualified agricultural property owned by you. If you and your spouse owned the qualified agricultural property jointly, you must divide the eligible taxes in the same manner as you divided the acres of qualified property (see the instructions for line 1).

If you marked the box at item F, do not include on line 10 the school taxes paid during the year on property that was converted to nonqualified use.

If you continue to own the property after the conversion to nonqualified use, and the converted property is included as part of your total tax bill, you may allocate the total taxes to the converted property on the basis of the amount of acreage converted to the total acreage covered by the tax bill.

If the converted property is sold, the closing documents will show the amount of school taxes reimbursed to you by the buyer. You must reduce your current year's eligible school taxes by the amount of these reimbursed taxes in determining the credit.

Line 15 — If line 15 is more than $200,000, your credit is limited.

Line 19 — Enter the amount from line 19 on Form IT-201-ATT, line 11, or enter the amount from line 19 and code ***217*** on Form IT-203-ATT, line 12, or include it on Form IT-205, line 33.

Part 3 — Partnership, S corporation, and estate or trust information

Enter the appropriate information for each partnership, New York S corporation, or estate or trust that **owned** qualified agricultural property. If you need more space, attach a separate schedule.

Part 4 — Partner's, shareholder's, or beneficiary's share of qualified agricultural property and eligible taxes

Partners, shareholders, or beneficiaries must complete Part 4.

Enter your share of the acres of qualified agricultural property and eligible taxes from a partnership, New York S corporation, or estate or trust on the appropriate lines in Part 4 (obtain this information from your partnership, corporation, or estate or trust).

If you belong to more than one partnership, New York S corporation, or estate or trust, enter the total of all your shares on the appropriate line. Estates and trusts: Include on lines 5 and 6 only your share of acres of qualified agricultural property and eligible taxes from another estate or trust.

Part 5 — Beneficiary's and fiduciary's share of acres of qualified agricultural property and eligible taxes

An estate or trust must complete Part 5.

Columns C and D — Include in the ***Totals*** line both (1) the acres of qualified property owned by the estate or trust and the eligible taxes paid by the estate or trust, and (2) the estate's or trust's share of each item from Part 4, line 7. If you marked the box at item F, do not include the acres of property converted or the taxes paid on that property.

Column E — Include in the ***Totals*** line the acres of qualified agricultural property that were converted to nonqualified use in 2010. See *Part 6* below. The converted acreage includes both (1) the acres of qualified agricultural property converted by the estate or trust and (2) the estate's or trust's share of acres of qualified agricultural property converted by a partnership, New York S corporation, or another estate or trust (obtain the estate's or trust's share of these amounts from the partnership, S corporation, or estate or trust).

The total acres of qualified agricultural property, total eligible taxes, and total acres of qualified agricultural property converted to nonqualified use are allocated between the estate or trust and its beneficiaries on the same basis as the income of the estate or trust is allocated.

Part 6 — Credit recapture on qualified agricultural property converted to nonqualified use

General information

If all of your qualified agricultural property is converted to nonqualified use (see the instructions for *Item F* on page 4) before the end of the second tax year following the year for which you first claimed a credit, the entire credit you claimed on the converted property for the two previous years must be added back on the tax return for the year of the conversion. If only a portion of the qualified agricultural property is converted to nonqualified use, a proportionate share of the credit claimed must be added back.

Example 1: *A farmer first claims the credit for tax year 2009. On August 1, 2010, all the farmer's qualified agricultural property is converted to nonqualified use. In this instance, no credit will be allowed for 2010, and the entire amount of the credit claimed for 2009 must be added back on the 2010 return.*

Example 2: *A farmer first claims the credit for tax year 2007. The credit is claimed on 100 acres of qualified agricultural property. In 2008 the farmer purchases an additional 100 acres of qualified agricultural property and claims the credit for 2008 on the total 200 acres of qualified agricultural property. On June 1, 2010, the entire property is converted to nonqualified use. In this instance, no credit is allowed for the year 2010. However, since the conversion takes place after the end of the second year following the year for which the credit was first claimed (2007), the farmer is not required to add back the credit claimed for 2007, 2008, or 2009. This is so even though 100 acres of the converted property were not purchased until 2008, and the credit on that portion of the converted property was first claimed for 2008.*

Example 3: *A farmer first claims the credit for tax year 2009. The credit is based on 500 acres of qualified agricultural property owned by the farmer. On September 1, 2010, 100 acres of that property is converted to nonqualified use. In this instance, a credit will be allowed for 2010 based on the 400 acres of qualified agricultural property not converted to nonqualified use, and one-fifth (100/500) of the credit claimed for 2009 must be added back on the 2010 return.*

Column instructions

Column A Individuals — Enter the total acres of qualified agricultural property converted to nonqualified use in 2010. Also include your share of acres of qualified agricultural property converted to nonqualified use from your partnership, New York S corporation, or estate or trust (obtain this information from the partnership, New York S corporation, or estate or trust).

Column A Fiduciaries — Enter the fiduciary's share of acres of qualified agricultural property converted to nonqualified use from Part 5, column E.

Column B — Enter the total **acres** of qualified agricultural property which you owned immediately prior to the conversion (including your share of property owned by your partnership, New York S corporation, or estate or trust).

Column D

Enter the total farmers' school tax credit claimed for 2008 and 2009 (from 2008 and 2009 Form IT-217, line 19).

Column E

- **Individuals —** Enter the line E amount and code ***217*** on Form IT-201-ATT, line 20, or Form IT-203-ATT, line 19.
- **Fiduciaries —** Include the line E amount on Form IT-205, line 12.

Worksheet C Individuals — 2010 Farming Gross Income

(Form IT-201 and IT-203 filers: Complete this worksheet and keep for your records.)

1	Add the income (not loss) amounts on federal Form 1040, lines 7, 8a, 9a, 10, 11, 15b, 16b, 19, 20b, and 21 *(see instructions below)*		**1.**
2	Enter the income (not loss) from federal Schedule C, line 7		**2.**
3	Enter the amount from federal Schedule C-EZ, line 1		**3.**
4	Add the gain (not loss) amounts on federal Schedule D, column (f), lines 1, 2, 4, 8, 9, 11, and 13 *(see instr.)*		**4.**
5	Enter the amount of capital gain from federal Form 1040, line 13, if you were not required to file federal Schedule D and have no entry on line 4		**5.**
6	Add the amounts on federal Schedule E, lines 3, 4, 37, and 39		**6.**
7	Enter the income (not loss) from federal Schedule F, line 11		**7.**
8	Add the gain (not loss) amounts on federal Form 4797, column (g), lines 2 through 6, 10, and 13 through 16 *(see instructions)*. If you were not required to file Form 4797 and have a gain (not loss) reported on federal Form 1040, line 14, from Form 4684, enter that amount here		**8.**
9	Enter amount from federal Form 4835, line 7		**9.**
10	Enter the code B and C amounts shown in box 14 on federal Schedule K-1 (Form 1065), less any partnership items included in lines 1 through 7 above *(If your partnership files federal Form 1065-B, see instr.)*		**10.**
11	Enter your share of S corporation gross income *(see instructions)*		**11.**
12	Enter your share of C corporation gross income *(see instructions)*		**12.**
13	Add lines 1 through 12		**13.**
14	Add the amounts on federal Form 1040, lines 7, 8a, 9a, 15b, 16b, and 20b	**14.**	
15	Add the amounts from lines 2, 3, and 7 above	**15.**	
16	Certain partnership gross income *(see instructions)*	**16.**	
17	Add lines 14, 15, and 16	**17.**	
18	Enter the lesser of line 17 or $30,000		**18.**
19	Subtract line 18 from line 13 *(if line 18 is greater than line 13, enter **0**)*		**19.**
20	Enter the amount from line 7 above	**20.**	
21	Enter the amount from federal Schedule E, line 42 *(see instructions)*	**21.**	
22	Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)*	**22.**	
23	Enter the amount from lines 2 and 3 above if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation *(see instructions)*	**23.**	
24	Enter your share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)*	**24.**	
25	Enter your share of C corporation gross income from farming *(see instructions)*	**25.**	
26	Add lines 20 through 25		**26.**
27	Enter amount from line 19 above		**27.**
28	Divide line 26 by line 27, and round the result to the fourth decimal place *(see instructions)*		**28.**

Instructions for Worksheet C

Line 1 — If federal Form 1040, line 21, includes both income and loss items, include only the income amounts on line 1. For example, on federal Form 1040, line 21, you report gambling winnings of $2,000 and a net operating loss carryover of ($3,000), for a net amount of ($1,000). In computing the amount on line 1 of the worksheet, include only the gambling winnings of $2,000.

Line 4 — Include on line 4 only gains used in computing the amounts reported in column (f) of federal Schedule D. Loss transactions cannot be netted against gain transactions. For example, on federal Schedule D-1, column (f), you include a gain of $200 for one transaction and a loss of $300 for another transaction, for a net loss of $100 which you include on federal Schedule D, line 2, column (f). Include on line 4 only the gain of $200. However, do not include on line 4 any gain from federal Form 4797 reported on line 11, column (f) of federal Schedule D.

Line 8 — Include on line 8 only gains used in computing the amounts entered in column (g) of federal Form 4797. Loss transactions cannot be netted against gain transactions.

(continued)

Instructions for Worksheet C *(continued)*

Line 10 — If your partnership files federal Form 1065-B, include on line 10 the amount of gross *nonfarm* income reported on your federal Schedule K-1 (Form 1065-B), in box 9 (less any partnership items included in lines 1-8 of Worksheet C).

Line 11 — Obtain this information from the S corporation. Do not include on line 11 any S corporation income included in lines 1-8.

Line 12 – If you were a shareholder of a New York C corporation that has a special gross income from farming election, include on line 12 your pro rata share of the corporation's **gross income** (obtain this information from the corporation). Also include on line 12 your distributive share of your partnership's **gross income**, and your pro rata share of your New York S corporation's **gross income** that represents the partnership's and S corporation's pro rata share of a New York C corporation's gross income, where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Line 16 — If you were a partner in a partnership and your federal Schedule K-1 shows any amount (including a loss) in box 14 under the code A, enter the sum of the code B and C amounts shown in box 14. If you were a partner in a partnership that files federal Form 1065-B, enter the amount reported on line 10 in worksheet C attributable to that partnership.

Line 21 — Do not include on line 21 gross income from fishing included in federal Schedule E, line 42.

Line 22 — Include on line 22 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 23 — Include on line 23 only the amounts from lines 2 and 3 that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) the sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on lines 2 and 3 that are from other types of businesses or products.

Line 24 — Obtain this information from the partnership, S corporation, or estate or trust.

Line 25 — If you were a shareholder of a New York C corporation that has a special gross income from farming election, include on line 25 your pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 25 your distributive share of your partnership's **gross income from farming**, and your pro rata share of your New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's gross income from farming, where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Line 28 — If the line 27 amount is ***0***, and you have an amount (other than ***0***) on line 26, enter 1.00 (100%) on line 28.

Worksheet C-1 Individuals
2009 Farming Gross Income

Form IT-201 and IT-203 filers: Complete lines 1 through 7 using your amounts from the applicable 2009 federal forms; keep for your records.

1 Enter the income (not loss) from federal Schedule F, line 11 ..... **1.** _____

2 Enter the amount from federal Schedule E, line 42 *(see instructions)* ..... **2.** _____

3 Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)* ..... **3.** _____

4 Enter the income (not loss) from federal Schedule C, line 7 or the amount from federal Schedule C-EZ, line 1, if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation *(see instructions)* ..... **4.** _____

5 Enter your share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)* ..... **5.** _____

6 Enter your share of C corporation gross income from farming *(see instructions)* ..... **6.** _____

7 Add lines 1 through 6 ..... **7.** _____

Instructions for Worksheet C-1

Line 2 — Do not include on line 2 gross income from fishing included in federal Schedule E, line 42.

Line 3 — Include on line 3 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 4 — Include on line 4 only the amounts from federal Schedule C, or federal Schedule C-EZ that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) the sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on federal Schedule C, or federal Schedule C-EZ that is from other types of businesses or products.

Line 5 — Obtain this information from the partnership, S corporation, or estate or trust.

Line 6 — If you were a shareholder of a New York C corporation that has a special gross income from farming election, include on line 6 your pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 6 your distributive share of your partnership's **gross income from farming,** and your pro rata share of your New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's **gross income from farming,** where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Worksheet C-2 Individuals
2008 Farming Gross Income

Form IT-201 and IT-203 filers: Complete lines 1 through 7 using your amounts from the applicable 2008 federal forms; keep for your records.

1	Enter the income (not loss) from federal Schedule F, line 11	**1.** _____
2	Enter the amount from federal Schedule E, line 42 *(see instructions)*	**2.** _____
3	Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)*	**3.** _____
4	Enter the income (not loss) from federal Schedule C, line 7 or the amount from federal Schedule C-EZ, line 1, if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation *(see instructions)*	**4.** _____
5	Enter your share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)*	**5.** _____
6	Enter your share of C corporation gross income from farming *(see instructions)*	**6.** _____
7	Add lines 1 through 6	**7.** _____

Instructions for Worksheet C-2

Line 2 — Do not include on line 2 gross income from fishing included in federal Schedule E, line 42.

Line 3 — Include on line 3 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 4 — Include on line 4 only the amounts from federal Schedule C, or federal Schedule C-EZ that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) the sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on federal Schedule C, or federal Schedule C-EZ that is from other types of businesses or products.

Line 5 — Obtain this information from the partnership, S corporation, or estate or trust.

Line 6 — If you were a shareholder of a New York C corporation that has a special gross income from farming election, include on line 6 your pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 6 your distributive share of your partnership's **gross income from farming,** and your pro rata share of your New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's **gross income from farming,** where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

(continued)

Worksheet D Estates and Trusts — 2010 Farming Gross Income
(Form IT-205 filers: Complete this worksheet and keep for your records.)

1	Add the income (not loss) amounts on federal Form 1041, lines 1, 2a, and 8		**1.**
2	Enter the income (not loss) from federal Schedule C, line 7		**2.**
3	Enter the amount from federal Schedule C-EZ, line 1		**3.**
4	Add the gain (not loss) amounts on federal Schedule D (Form 1041), lines 1a, 1b, 2, 6a, 6b, 7, and 9 *(see instr. below)*		**4.**
5	Add the amounts on federal Schedule E, lines 3, 4, 37, and 39		**5.**
6	Enter the income (not loss) amount on federal Schedule F, line 11		**6.**
7	Add the gain (not loss) amounts on federal Form 4797, column (g), lines 2 through 6, 10, and 13 through 16 *(see instructions)*. If the estate or trust was not required to file Form 4797 and has a gain (not loss) reported on federal Form 1041, line 7, from Form 4684, enter that amount here		**7.**
8	Enter amount from federal Form 4835, line 7		**8.**
9	Enter the code B and C amounts shown in box 14 on federal Schedule K-1 (Form 1065), less any partnership items included in lines 1 through 7 above *(If your partnership files federal Form 1065-B, see instr.)*		**9.**
10	Enter the estate's or trust's share of S corporation gross income *(see instructions)*		**10.**
11	Enter the estate's or trust's share of C corporation gross income *(see instructions)*		**11.**
12	Add lines 1 through 11		**12.**
13	Add the income amounts on federal Form 1041, lines 1 and 2a	**13.**	
14	Enter the amount of any pension payments included on federal Form 1041, line 8	**14.**	
15	Add the amounts from lines 2, 3, and 6 above	**15.**	
16	Certain partnership gross income *(see instructions)*	**16.**	
17	Add lines 13, 14, 15, and 16	**17.**	
18	Enter the lesser of line 17 or $30,000		**18.**
19	Subtract line 18 from line 12 *(if line 18 is greater than line 12, enter* **0***)*		**19.**
20	Enter the amount from line 6 above	**20.**	
21	Enter the amount from federal Schedule E, line 42 *(see instructions)*	**21.**	
22	Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)*	**22.**	
23	Enter the amount from lines 2 and 3 above if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed tree operation *(see instructions)*	**23.**	
24	Enter the estate's or trust's share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)*	**24.**	
25	Enter the estate's or trust's share of C corporation gross income from farming *(see instr.)*	**25.**	
26	Add lines 20 through 25		**26.**
27	Enter amount from line 19 above		**27.**
28	Divide line 26 by line 27, and round the result to the fourth decimal place *(see instructions)*		**28.**

Instructions for Worksheet D

Line 4 — Include on line 4 only gains used in computing the amounts reported in column (f) of federal Schedule D. Loss transactions cannot be netted against gain transactions.

Line 7 — Include on line 7 only gains used in computing the amounts entered in column (g) of federal Form 4797. Loss transactions cannot be netted against gain transactions.

Line 9 — If your partnership files federal Form 1065-B, include on line 9 the amount of gross *nonfarm* income reported on your federal Schedule K-1 (Form 1065-B), in box 9 (less any partnership items included in lines 1-7 of Worksheet D).

Line 10 — Obtain this information from the S corporation. Do not include on line 10 any S corporation income included in lines 1-7.

Line 11 — If the estate or trust was a shareholder of a New York C corporation that has a special gross income from farming election include on line 11 the estate's or trust's pro rata share of the corporation's **gross income** (obtain this information from the corporation). Also include on line 11 the estate's or trust's distributive share of its partnership's **gross income** and the estate's or trust's pro rata share of its New York S corporation's **gross income** that represents the partnership's and S corporation's pro rata share of a New York C corporation's gross income, where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Line 16 — If you were a partner in a partnership and your federal Schedule K-1 shows any amount (including a loss) in box 14 under the code A, enter the sum of the code B and C amounts shown in box 14. If you were a partner in a partnership that files federal Form 1065-B, enter the amount reported on line 9 above attributable to that partnership.

Line 21 — Do not include on line 21 any gross income from fishing included in federal Schedule E, line 42.

Line 22 — Include on line 22 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 23 — Include on line 23 only the amounts from lines 2 and 3 that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on lines 2 and 3 that are from other types of businesses or products.

Line 24 — Obtain this information from the partnership, S corporation, or estate or trust.

Line 25 – If the estate or trust was a shareholder of a New York C corporation that has a special gross income from farming election, include on line 25 the estate's or trust's pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 25 the estate's or trust's distributive share of its partnership's **gross income from farming**, and the estate's or trust's pro rata share of its New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's gross income from farming, where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Line 28 — If the line 27 amount is ***0***, and you have an amount (other than ***0***) on line 26, enter 1.00 (100%) on line 28.

Worksheet D-1 Estates and Trusts
2009 Farming Gross Income

Form IT-205 filers: Complete lines 1 through 7 using your amounts from the applicable 2009 federal forms; keep for your records.

1.	Enter the income (not loss) from federal Schedule F, line 11	**1.** _____
2.	Enter the amount from federal Schedule E, line 42 *(see instructions)*	**2.** _____
3.	Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)*	**3.** _____
4.	Enter the income (not loss) from federal Schedule C, line 7 or the amount from federal Schedule C-EZ, line 1, if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation *(see instructions)*	**4.** _____
5.	Enter the estate's or trust's share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)*	**5.** _____
6.	Enter the estate's or trust's share of C corporation gross income from farming *(see instructions)*	**6.** _____
7.	Add lines 1 through 6	**7.** _____

Instructions for Worksheet D-1

Line 2 — Do not include on line 2 gross income from fishing included in federal Schedule E, line 42.

Line 3 — Include on line 3 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 4 — Include on line 4 only the amounts from federal Schedule C, or federal Schedule C-EZ that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) the sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on federal Schedule C, or federal Schedule C-EZ that is from other types of businesses or products.

Line 5 — Obtain this information from the partnership, S corporation, or estate or trust.

(continued)

Line 6 — If the estate or trust was a shareholder of a New York C corporation that has a special gross income from farming election, include on line 6 the estate's or trust's pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 6 the estate's or trust's distributive share of its partnership's **gross income from farming,** and the estate's or trust's pro rata share of its New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's **gross income from farming,** where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).

Worksheet D-2 Estates and Trusts
2008 Farming Gross Income

Form IT-205 filers: Complete lines 1 through 7 using your amounts from the applicable 2008 federal forms; keep for your records.

1. Enter the income (not loss) from federal Schedule F, line 11 ..... **1.** _____

2. Enter the amount from federal Schedule E, line 42 *(see instructions)* ..... **2.** _____

3. Add the amounts on federal Form 4797, column (g) that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes *(see instructions)* ..... **3.** _____

4. Enter the income (not loss) from federal Schedule C, line 7 or the amount from federal Schedule C-EZ, line 1, if these amounts represent gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation *(see instructions)* ..... **4.** _____

5. Enter the estate's or trust's share of gross income from (1) the production of maple syrup or cider, (2) the sale of wine, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation from a partnership, S corporation, or estate or trust *(see instructions)* ..... **5.** _____

6. Enter the estate's or trust's share of C corporation gross income from farming *(see instructions)* ..... **6.** _____

7. Add lines 1 through 6 ..... **7.** _____

Instructions for Worksheet D-2

Line 2 — Do not include on line 2 gross income from fishing included in federal Schedule E, line 42.

Line 3 — Include on line 3 only gains (not losses) reported on federal Form 4797 that represent gains from the sale of livestock used for draft, breeding, sport, or dairy purposes. Do not include any other gains or losses reported on federal Form 4797 (such as gains from the sale of farm machinery), even though these gains may be related to your farming business.

Line 4 — Include on line 4 only the amounts from federal Schedule C, or federal Schedule C-EZ that represent gross income (gross receipts less cost of goods sold) from (1) the production of maple syrup (including maple syrup related products) or cider, (2) the sale of wine from a licensed farm winery, (3) the commercial boarding and training of horses, or (4) the sale of Christmas trees from a managed Christmas tree operation. Do not include gross income reported on federal Schedule C, or federal Schedule C-EZ that is from other types of businesses or products.

Line 5 — Obtain this information from the partnership, S corporation, or estate or trust.

Line 6 — If the estate or trust was a shareholder of a New York C corporation that has a special gross income from farming election, include on line 6 the estate's or trust's pro rata share of the corporation's **gross income from farming** (obtain this information from the corporation). Also include on line 6 the estate's or trust's distributive share of its partnership's **gross income from farming,** and the estate's or trust's pro rata share of its New York S corporation's **gross income from farming** that represents the partnership's and S corporation's pro rata share of a New York C corporation's **gross income from farming,** where that New York C corporation has a special gross income from farming election (obtain this information from the partnership and S corporation).