

Farmers' School Tax Credit Eligibility Enhanced (Articles 9-A and 22)

The Tax Law has been amended to allow a taxpayer the option of using a three-year average of federal gross income from farming in determining if the taxpayer is an *eligible farmer* for purposes of claiming the farmers' school tax credit.

Prior to the amendment, taxpayers met the definition of *eligible farmer* only if their federal gross income from farming for the tax year was at least two-thirds of their excess federal gross income.

For tax years beginning on or after January 1, 2003, taxpayers will meet the definition of *eligible farmer* if their:

- federal gross income from farming for the tax year is at least two-thirds of their excess federal gross income; or
- average of federal gross income from farming for the tax year and the two consecutive tax years immediately preceding that tax year is at least two-thirds of their excess federal gross income for the tax year.

See Publication 51, *Questions and Answers on New York State's Farmers' School Tax Credit*, and Publication 51.1, *Update to Publication 51*, for more information on the credit.

(Tax Law, sections 210.22 and 606(n))