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SB 161 Tax Exemption for Farm Use Land
Ver. D Sectional Analysis
April 2, 2024

Section 1– Amends AS 29.45.050(t) to add farmland to the property that a municipality may exempt from property taxes, allows exemptions to be approved at the assembly level, and changes the income qualification to the United States Department of Agriculture (USDA) definition of $1,000 in annual sales and filing an Internal Revenue Service (IRS) Schedule F. The changes in this section also allow exemptions for aquaculture and for agricultural operations that are not providing food for humans or livestock, and gives municipalities discretion in which types of agricultural opportunities to exempt from property taxes.

Section 2 – Amends the definition of farming activity in AS 29.45.050(y) to include propagating, farming, or cultivating aquatic farm products.

Section 3 – Adds language to AS 29.45.060(a) allowing structures on farmland used for farm operations to what may be assessed at the farmland use tax rate.

Section 4 – Amends AS 29.45.060(f) to conform to the changes in Section 3 and changes the paperwork submission deadline from February 1 to April 15.

Section 5 – Changes the qualifying definition of a farm in AS 29.45.060(g) to an operation that sells or would normally sell $1,000 of farm products annually, files an IRS Schedule F, and produces food for human consumption or to feed livestock.

Section 6– Repeals AS 29.45.060(c) as the new definition of a farm in Section 5 includes farms that are temporarily not operating.

Section 7 – Provides an immediate effective date.

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