



STATEMENT OF FARM GROSS INCOME
 OFFICE OF STATE TAX COMMISSIONER
 SFN 24703 (10-2022)

2022
 CALENDAR YEAR

Farm residence property tax exemption under N.D.C.C. § 57-02-08(15)--This form must be completed and provided to the county in addition to the application form. Use this 2022 form only if basing compliance on income information for the 2022 calendar year.

See separate instructions

Note to Assessor - This is a CONFIDENTIAL RECORD

Occupant and property information

Identify the applicant and property. Property information must match that provided on application form.

1. Name of property owner

4. Property (parcel) number

2. Occupant's name, if different from property owner

5. Legal description of property

3. Property address

Occupant's total gross income from all sources (farm and nonfarm)

On lines 6 through 24, enter the gross income from both farm and nonfarm sources from the occupant's 2022 Form 1040, U.S. Individual Income Tax Return. If Form 1040-SR was used, the schedule and line number references are the same. If occupant is married, the spouse's income must be included whether they file joint or separate federal returns.

Form	Line No.	Description	Gross Income (Farm and nonfarm)	
6. Form 1040	1a thru 1h	Wages, salaries, tips, etc.....	6	
7. Form 1040	2b	Taxable interest.....	7	
8. Form 1040	3b	Ordinary dividends.....	8	
9. Form 1040	4b	Taxable IRA distributions.....	9	
10. Form 1040	5b	Taxable pensions and annuities.....	10	
11. Form 1040	6b	Taxable social security benefits.....	11	
12. Form 1040	7	Capital gains (Do not include losses).....	12	
13. Form 1040, Sch. 1	1	Taxable refunds, credits, or offsets of state and local income taxes.....	13	
14. Form 1040, Sch. 1	2a	Alimony.....	14	
15. Form 1040, Sch. 1	4	Other gains from Form 4797 (Do not include losses).....	15	
16. Form 1040, Sch. 1	7	Unemployment compensation.....	16	
17. Form 1040, Sch. 1	9	Other income (See instructions).....	17	
18. Schedule C	7	Gross income.....	18	
19. Schedule E, Part I	23a	Gross rents from rental properties.....	19	
20. Schedule E, Part I	23b	Gross royalties from royalty properties.....	20	
21. See instructions for this line		Gross income from partnerships and S corporations.....	21	
22. See instructions for this line		Gross income from estates and trusts.....	22	
23. Schedule F	9	Gross income.....	23	
24. Form 4835	7	Gross farm rental income (crop / livestock shares).....	24	
25.		Total gross income (farm and non-farm). Add lines 6 through 24.....	25	0
26.		Adjustment for gains from the sale or exchange of farm machinery (See instructions).....	26	
27.		Adjusted total gross income (farm and non-farm). Subtract line 26 from line 25.....	27	0

28. Adjusted total gross income (farm and non-farm). Enter amount from page 1, line 27.....

28	0
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Occupant's gross income from farming activities

On lines 29 through 31, enter the gross income from farming activity from the occupant's 2022 Form 1040, U.S. Individual Income Tax Return. If Form 1040-SR was used, the schedule and line number references are the same. If occupant is married, the spouse's gross income from farming activity must be included whether they file joint or separate federal returns.

The amounts on lines 29 through 31 must match the amounts used to determine if the occupant is a farmer for 2022 under the special estimated income tax rules for farmers under Internal Revenue Code § 6654.

Form	Line No.	Description	Farm Gross Income	
29. Schedule F	9	Gross income.....	29	0
30. Schedule E, Part V	42	Gross farm income from a partnership, S corporation, estate, trust, and Form 4835.....	30	
31. Form 4797 See instructions for this line		Gains from sale or exchange of livestock used for draft, dairy, breeding, or sporting purposes.....	31	
32.		Gross income from farming activities. Add lines 29 through 31.....	32	0
33. Farm gross income ratio.		If line 32 is equal to line 28 (even if amount is zero), the ratio is 100%. Otherwise, divide line 32 by line 28.....	33	100%

- **If line 33 is 66% or more, the applicant meets the farm gross income requirement for the calendar year.**
- **The farm gross income requirement needs to be met in only one of the two calendar years preceding the year for which the farm residence property tax exemption is claimed.**

Occupant statement of eligibility

As evidenced by this statement, sixty-six percent or more of my annual gross income (including that of my spouse, if applicable) is from qualifying farming activities for the calendar year for which this statement is filed.

I also declare that, under the penalties of N.D.C.C. § 12.1-11-02, which provides for a Class A misdemeanor for making a false statement in a governmental matter, this statement, including any accompanying documentation, has been examined by me, and to the best of my knowledge and belief is a true, correct, and complete statement.

Occupant's signature	Date

Signature of occupant's spouse, if applicable	Date

Signature of preparer, if prepared by someone other than occupant	Date

Due date

This statement must be filed on or before March 31 of the year for which the exemption has been requested.

Where to file

File the completed statement with the assessor's office where the application for the farm residence property tax exemption was filed.

Click on the image of the instructions below. A PDF of the instruction document will open in your PDF reader.

Note: The PDF may open in your PDF reader behind this Excel document.

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General instructions

Purpose of form

To qualify as an active farmer for purposes of the farm residence property tax exemption under N.D.C.C. § 57-02-08(15)(b), the individual occupying the residence must satisfy certain requirements. One of the requirements is that 66% or more of the occupant's total annual gross income must be from farming activities in one of the two calendar years preceding the year for which the exemption is claimed. The statute requires the occupant to complete and provide to the county a Statement of Farm Gross Income for one of the two preceding years to state and demonstrate compliance with the farm gross income requirement.

Note: The farm residence exemption must be renewed each year to continue the exemption, which requires the submission of a new application each year. A Statement of Farm Gross Income must be submitted with each year's application form.

Spouse's income. If the occupant is married, the spouse's gross income must be included for purposes of the farm gross income requirement. This applies whether they file joint or separate federal income tax returns.

Occupant other than property owner. If the occupant is someone other than the property owner, the property owner must complete and submit the application for the exemption, but the occupant must complete and submit the Statement of Farm Gross Income.

Example 1: If claiming the farm residence exemption for the 2023 property tax year, the occupant must complete and provide a Statement of Farm Gross Income for either the 2021 or 2022 calendar year. If the farm gross income requirement is satisfied based on income information for the 2022 calendar year, a Statement of Farm Gross Income needs to be filed for

only the 2022 calendar year; a statement does not have to be filed for the 2021 calendar year.

Example 2: Same as Example 1, except that the occupant is unable to satisfy the farm gross income requirement based on the 2022 calendar year income information. In this case, eligibility for the exemption will depend on whether the occupant is able to satisfy the requirement using the income information for the 2021 calendar year.

Use the proper year's form

The information needed to complete the Statement of Farm Gross Income is derived from the occupant's Form 1040 or Form 1040-SR, U.S. Individual Income Tax Return, filed for the same year for which the statement is being completed. Be sure to use the Statement of Farm Gross Income corresponding to the tax year used to comply with the farm gross income requirement. **If possible, use the MORE RECENT of the two calendar years preceding the year for which the exemption is being claimed to show compliance.**

Example 3: If applying for the farm residence exemption for the 2023 property tax year, and if the income information from the 2022 federal income tax return supports compliance with the farm gross income requirement, complete and file the 2022 Statement of Farm Gross Income.

Example 4: Same as Example 3, except that the income information from the 2022 federal income tax return does not support compliance with the farm gross income requirement. In this case, eligibility for the exemption will depend on whether the occupant is able to satisfy the requirement using the income information from the 2021 federal income tax return. If it does, complete and file the 2021 Statement of Farm Gross Income.

Farm gross income requirement

To meet the farm gross income requirement, 66% or more of the occupant's annual gross income must be from farming activities in either of the two calendar years preceding the year for which the exemption is being applied for.

Definitions

For purposes of the farm gross income requirement, the following definitions apply:

- "Gross income" means gross income as defined under the federal Internal Revenue Code.

This generally means income received in the form of money, goods, property, and services that is not exempt from tax that is reportable on the federal income tax return. In the case of a business, it means the amount of gross income received before any business expenses are subtracted. In the case of the sale or exchange of property, the gain from the sale or exchange is included in gross income.

Qualifying farm machinery adjustment. See the specific line instructions for line 26 on the statement for an adjustment that may be made to reduce gross income by any gain from the sale or exchange of qualifying farm machinery.

- "Gross income from farming activities" means gross income from farming as defined for purposes of determining if an individual is a farmer for purposes of the special federal estimated income tax payment rules for farmers under Internal Revenue Code § 6654.

This generally means income from cultivating the soil or raising agricultural commodities.

Gross income from farming activities **does not** include (1) wages received as a farm employee, (2) income received from contract grain harvesting and