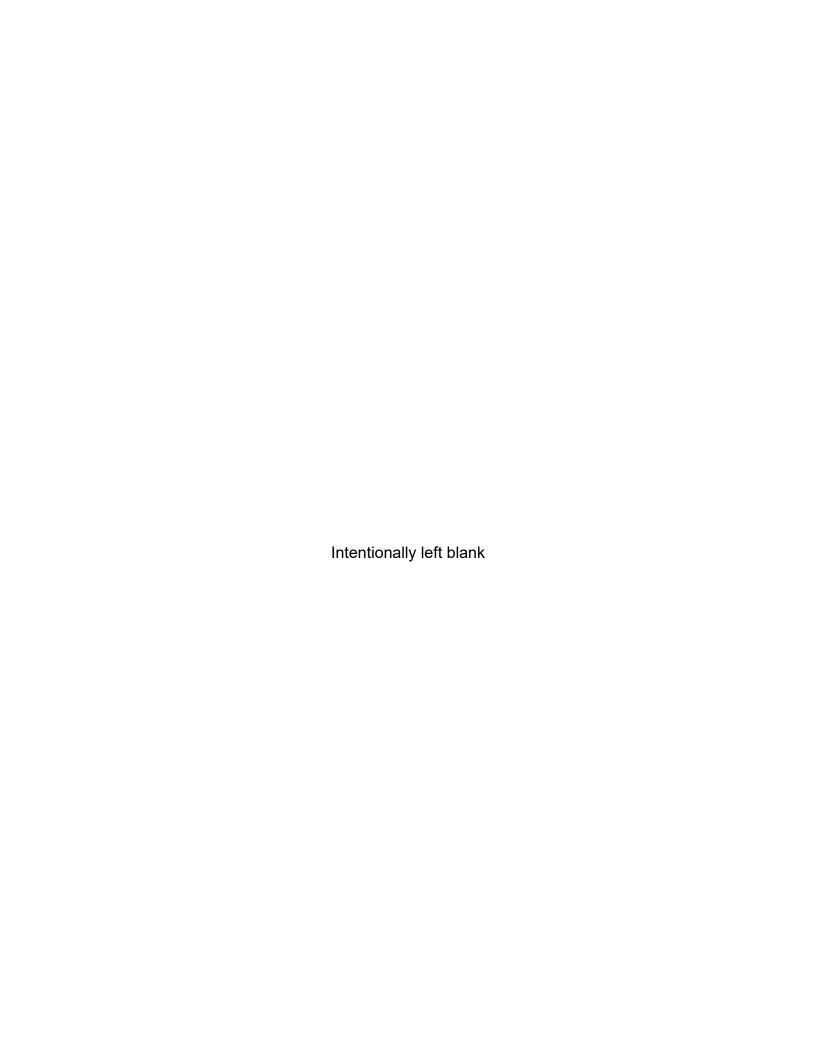


Annual Report July 1, 2020 – June 30, 2021

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

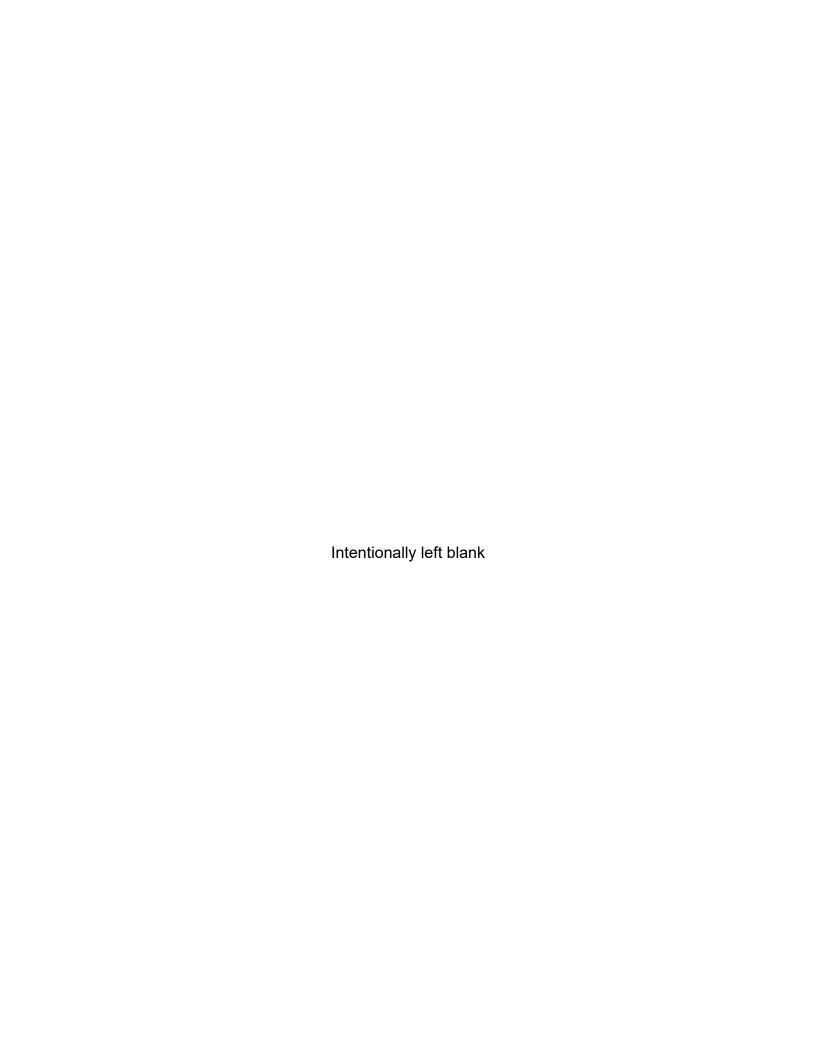


NextGen Annual Report

Nebraska Department of Agriculture Beginning Farmer Tax Credit Act

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NextGen Board of Directors

FY 2020 - 2021 July 1, 2020 - June 30, 2021

Name	Representing		
Steve Wellman	Director Nebraska Department of Agriculture		
Karla Bahm (Designee)	Beginning Farmer Program Administrator Nebraska Department of Agriculture		
Tony Fulton	Tax Commissioner Nebraska Department of Revenue		
Lydia Brasch (Designee)	Research Division Nebraska Department of Revenue		
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln		
Wade Thornburg	Agricultural Lender		
Dave Nielsen	Producer, District 1		
John Walvoord	Producer, District 2		
Britt Anderson	Producer, District 3		

Staff Members

Joline Gordon Staff Assistant

NextGen Board Meeting Dates and Attendees

FY 2020 - 2021 July 1, 2020 - June 30, 2021

Meeting Date	Members Attending	Guests Attending	Staff Attending
November 13, 2020	Britt Anderson Karla Bahm Lydia Brasch Brad Lubben Dave Nielsen John Walvoord	Amelia Breinig, Assistant Director, Nebraska Department of Agriculture Steve Wellman, Director, Nebraska Department of Agriculture	Joline Gordon
January 7, 2021	Britt Anderson Karla Bahm Dave Nielsen WadeThornburg John Walvoord	Amelia Breinig, Assistant Director, Nebraska Department of Agriculture	Joline Gordon

NextGen Administrative Notes

FY 2020 - 2021 July 1, 2020 - June 30, 2021

The Beginning Farmer Tax Credit Act was enacted into law in August of 1999. The intent of the Act is to help beginning farmers and ranchers gain access to agricultural assets by providing an incentive to a landlord who will enter into a three-year lease with a beginning farmer. The incentive is a refundable Nebraska income tax credit. This program has become a good tool for the beginning farmer to use while trying to gain access to agricultural assets. Other benefits for the beginning farmer are a Personal Property Tax Exemption on farm equipment and machinery and reimbursement of an approved finance management course.

A seven-member Board of Directors is charged with reviewing applications and approving applicants in accordance with the Act. Members representing the board consist of the Director of Agriculture, State Tax Commissioner, an academia representative, an agricultural lending community representative and an agricultural producer from each of the three Congressional Districts. Board members serve a four-year term. On October 28, 2020, Governor Ricketts appointed John Walvoord of Waterloo, Nebraska to serve as the District 2 representative. The position had been vacant for approximately one year. The legislature confirmed Walvoord's appointment during the 107th legislative session. All appointments will expire July 16, 2023.

Senator Matt Williams of District 36 introduced LB254 during the 107th legislative session. LB254 changed the sunset date of the Beginning Farmer Tax Credit Act from December 31, 2022 to December 31, 2025. Language from LB254 was incorporated into LB432 through amendment AM1127. LB432 was passed by the legislature and approved by Governor Ricketts.

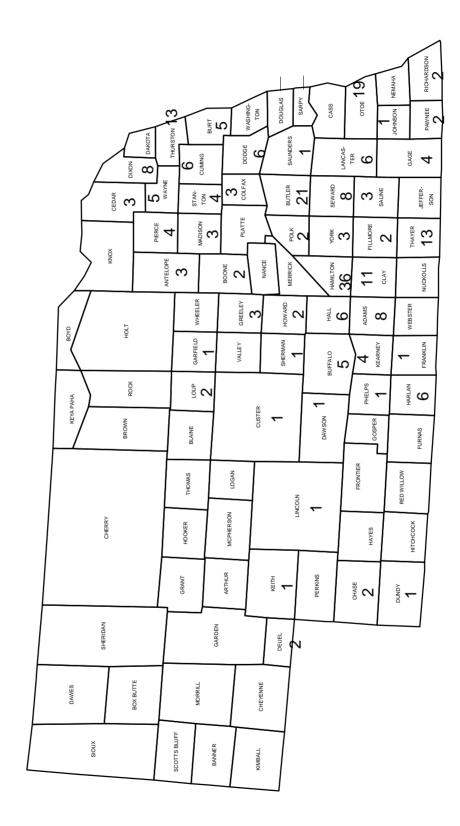
The Covid-19 pandemic experienced last fiscal year continued into this fiscal year. Many traditional in-person industry events, where our outreach efforts are concentrated, were either cancelled or held virtually. Husker Harvest Days, our largest outreach event was cancelled. Staff participated in several virtual presentations to educate producers about NextGen. Total applications were up slightly from the previous year.

Participant Statistics As Reported for the Tax Year

	To Voor Darticipation	2016	2017	2018	2019	0000	2016 - 2020	Totals - 2001 to 2020
	ומא וכמו דמו ווכוףמנוטוו	7010	7107	0107	6107	2020	Last 5 Yrs Total & Avg Since the Beginning	Since the Beginning
	# of Owners Receiving Tax Credit	233	528	303	720	260	1305	2853
	Total Tax Credits Paid to Owners	\$ 1,140,155	\$ 1,283,928	\$ 1,470,194	\$ 1,266,626	\$ 1,140,155 \$ 1,283,928 \$ 1,470,194 \$ 1,266,626 \$ 1,412,692 \$	\$ 6,573,595 \$	\$ 14,941,375
	Average Tax Credit per Owner	\$ 4,893 \$	\$ 4,957 \$	\$ 4,852 \$	\$ 290'5 \$	\$ 5,433 \$	\$ 5,037	\$ 5,237
	# of Beg. Farmers Paying Rent	172	217	268	235	209	1101	2356
	Total Rent Paid by Beg. Farmers	\$ 9,835,160	\$ 11,197,860	\$ 12,848,552	\$ 11,125,488	\$ 9,835,160 \$11,197,860 \$12,848,552 \$11,125,488 \$12,054,169 \$	\$ 57,061,229 \$	\$ 125,849,916
-	Average Rent Paid per Beg. Farmer \$	\$ 57,181	57,181 \$ 51,603	\$	\$ 47,343	47,942 \$ 47,343 \$ 57,675 \$	\$ 51,827 \$	\$ 53,417
4 -	Applications Received	74	98	86	25	62	377	1085

Number of Owners Receiving Tax Credits by County **Beginning Farmer Tax Credit Program**

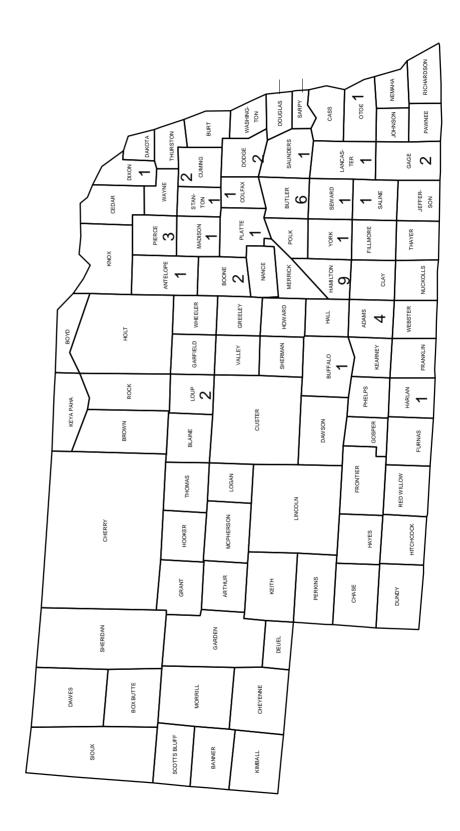
Crop Year 2020



260

Beginning Farmer Tax Credit Program Number of Cases Declared Eligible by County

July 01, 2020 - June 30, 2021



NextGen Financial Report

FY 2020 - 2021 July 1, 2020 - June 30, 2021

Account Code Description	Budgeted Amount	Year-To- Date	% of Budget	Variance- Favorable (Unfavorable)
510000 Personal Services 511100 Permanent Salaries – Wages 512100 Vacation Leave Expense 512200 Sick Leave Expense 512300 Holiday Leave Expense 515100 Retirement Plans Expense 515200 FICA Expense 515400 Life & Accident Insurance Exp 515500 Health Insurance Expense 516300 Employee Assistance Program 516500 Workers Comp Premiums	\$38,768.75 \$15.52 \$1,591.51 \$102.41 \$3,035.58 \$3,065.02 \$11.40 \$15,220.14 \$15.00 \$530.00 \$62,355.33	\$27,986.39 \$4,302.88 \$5,108.30 \$2,048.24 \$2,953.95 \$2,576.33 \$0.00 \$15,063.40 \$0.00 \$498.84 \$60,538.33	72.19 27724.74 320.97 2000.04 97.31 84.06 0.00 98.97 0.00 94.12 97.09	\$10,782.36 (\$4,287.36) (\$3,516.79) (\$1,945.83) \$81.63 \$488.69 \$11.40 \$156.74 \$15.00 \$31.16
520000 Operating Expenses 521100 Postage Expense 521400 Data Processing Expense 521412 OCIO – Voice Expense 521500 Publication & Print Expense 522200 Conference Registration 531100 Office Supplies Expense 533900 Food Expense 533901 Food-Official Function 534600 Ed & Recreational Sup Ex 534946 Promotional Supplies 541100 Accounting & Auditing Service 541200 Purchasing Assessment 541400 HRMS Assessment 559100 Other Operating Expense	\$443.88 \$4,183.35 \$385.00 \$520.00 \$0.00 \$0.00 \$100.00 \$0.00 \$6,000 \$10.00 \$50.00 \$15.00 \$6,003.96	\$380.73 \$3,931.46 \$298.54 \$322.47 \$20.00 \$31.59 \$0.00 \$121.27 \$34.64 \$86.73 \$165.27 \$4.32 \$49.56 \$0.00 \$5,446.58	85.77 93.98 77.54 62.01 0.00 0.00 0.00 0.00 100.00 78.70 43.20 99.12 0.00	\$63.15 \$251.89 \$86.46 \$197.53 (\$20.00) (\$31.59) \$100.00 (\$121.27) (\$34.64) \$0.00 \$44.73 \$5.68 \$0.44 \$15.00 \$557.38
570000 Travel Expense 571100 Board & Lodging 571600 Meals – Not Travel Status 573100 State-Owned Transport 574500 Personal Vehicle Mileage 575100 Misc Travel Expenses 570000 Travel Expense Total Budgeted Expenditures Total	\$235.00 \$0.00 \$65.00 \$560.00 \$650.00 \$1,510.00	\$0.00 \$107.70 \$0.00 \$720.47 \$80.00 \$908.17	0.00 0.00 0.00 128.66 12.31 60.14	\$235.00 (\$107.70) \$65.00 (\$160.47) \$570.00 \$601.83

NextGen Outreach Activities

FY 2020 - 2021 July 1, 2020 - June 30, 2021

- Rural Response Council, Lincoln July 17, 2020
- Scottsbluff Star Herald Article "Beginning Farmers Receive Competitive Edge" July 27, 2020
- Nebraska Investment Finance Authority Webinar: Financing and Program Options for Farmers & Ranchers – August 5, 2020; https://www.youtube.com/watch?v=h-67HVKzRIE&feature=youtu.be
- Let's Eat Investment Group, virtual September 30, 2020
- Flatwater Bank, virtual October 6, 2020
- Deadline for Beginning Farmer Tax Credit Approaching; KTIC article, October 14, 2020
- Rural Response Council, virtual October 16, 2020
- Nebraska Ag Update Social Media October 23, 2020
- Women Managing Ag Land Workshop, Omaha, pre-recorded video December 2, 2020
- Rural Response Council, virtual December 18, 2020
- Women in Ag Conference, virtual February 18-19, 2021
- AgrAbility Advisory Council Meeting, virtual February 24, 2021
- Center for Rural Affairs presentation by Dave Goeller February 25, 2021
- AgCeptional Women's Conference, virtual March 12, 2021
- Ag Leaders Group, Lincoln June 23, 2021