



Annual Report
July 1, 2024 – June 30, 2025

Nebraska Department of Agriculture
Beginning Farmer Tax Credit Act

**NextGen
Annual Report**

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Beginning Farmer Tax Credit Act**

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**NextGen
Board of Directors**

**FY 2024 – 2025
July 1, 2024 – June 30, 2025**

Name	Representing
Sherry Vinton Holle Evert (Designee)	Director Nebraska Department of Agriculture Beginning Farmer Program Administrator Nebraska Department of Agriculture
Jim Kamm Garrett Nedved (Designee)	Tax Commissioner Nebraska Department of Revenue Policy Section Nebraska Department of Revenue
Brad Lubben	Agriculture Academic Extension Agricultural Economist University of Nebraska - Lincoln
Wade Thornburg	Agricultural Lender
Britt Anderson	Producer Representative
Lisa Lunz	Producer Representative
John Walvoord	Producer Representative

Staff Members

Hannah Burnside	Administrative Technician
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NextGen Board Meeting Dates and Attendees

FY 2024 – 2025
July 1, 2024 – June 30, 2025

Meeting Date	Members Attending	Guests Attending	Staff Attending
November 19, 2024	Britt Anderson Brad Lubben Garrett Nedved Lisa Lunz Holle Evert Wade Thornburg John Walvoord		Lauren Dunn Nolan Lemna
December 20, 2024	Britt Anderson Brad Lubben Garrett Nedved Lisa Lunz Holle Evert Wade Thornburg John Walvoord	Hilary Miracle Deputy Director NDA	Lauren Dunn
January 23, 2025	Britt Anderson Brad Lubben Garrett Nedved Holle Evert Wade Thornburg John Walvoord	Nick Swenson Legislative Coordinator NDA	Lauren Dunn



Administrative Notes

FY 2024 – 2025

July 1, 2024 – June 30, 2025

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 three agricultural producers. Board members serve a four-year term.

The following four-year appointments were made by Governor Pillen and confirmed by the legislature. Terms will expire July 16, 2027.

Britt Anderson	Agricultural Producer	Vice Chair; Reappointment
Bradley Lubben	Academia Representative	Chair; Reappointment
Lisa Lunz	Agricultural Producer	New Appointment
Wade Thornburg	Agricultural Lender	Reappointment
John Walvoord	Agricultural Producer	Reappointment

A performance audit of the NextGen Beginning Farmer Tax Credit Act program was completed in June 2025 by the Legislative Audit Office. An audit report is available on the Unicameral’s website or can be obtained from the Legislative Audit Office. There was one audit finding. The Board of Directors and Program Administrator have initiated a process to address the finding.

Finding: *Current Beginning Farmer program practices may not be sufficient for 1) ensuring that participants are aware of their responsibilities, 2) informing the agency/Beginning Farmer Board of the current status of lease agreements, and 3) informing the agency/Beginning Farmer Board of changes in the qualification status of beginning farmers related to continued participation and property tax exemptions. This introduces some risk that the program could provide benefits outside of statutory intent.*

Recommendation: *The Department of Agriculture should contact participants in active cases prior to the Beginning Farmer Board’s annual case review. This contact should be used to 1) remind all participants of their responsibilities under the Act and Rules and Regulations; and 2) to ascertain information necessary for the Board to make informed judgements while performing their duties under Neb. Rev. Stat. § 77-5213.*



At minimum, this contact should remind participants that:

- *The Board needs to be informed about changes in the rental agreement's status*
- *Beginning farmers are required to perform the day-to-day physical labor and management of their operation (77-5209)*
- *Beginning farmers certified for the property tax exemption are required to maintain farming or livestock production in order to continue receiving the exemption (77-5902.02)*
- *Beginning farmers certified for the property tax exemption are required to apply to their county assessor in order to receive the exemption (77-5902.02)*
- *Beginning farmers certified for the property tax exemption are required to provide appropriate documentation to their county assessor for each year they wish to receive the exemption (77-5902.02)*
- *If agricultural assets are sold during the three-year term of the rental agreement, the new owner and agreement must be qualified in order to receive tax credits 91 NAC 007.02C)*

At minimum, this contact should ascertain the following information related to their responsibilities for each active case:

- *Current status of lease agreements*
- *Current ownership status of all agricultural assets*
- *Current status of each Beginning Farmer's qualifications to participate*
- *Whether or not each Beginning Farmer with certification for the property tax exemption is still engaged in farming or livestock production.*

This recommendation can be implemented through amending agency procedures.

The Beginning Farmer Board and Program Administrator are implementing the recommended changes referenced above, specifically those pertaining to the collection of the requested information. Notification of these updates will be provided to all program participants via both email and formal letter. Copies of all communications, along with any related responses, will be retained in the official file for each program participant.

In July 2025, NDA welcomed a new Deputy Director, Jessica Shelburn. Holle Evert was hired in November 2024 as the program administrator for the NextGen Beginning Farmer Tax Credit Act program.

Participant Statistics As Reported for the Tax Year

Tax Year Participation	2020	2021	2022	2023	2024	2019 - 2024	Totals - 2001 to 2024
						Last 5 Yrs Total & Avg	Since the Beginning
# of Owners Receiving Tax Credit	260	228	204	144	106	942	3535
Total Tax Credits Paid to Owners	\$ 1,412,692	\$ 1,279,174	\$ 1,791,418	\$ 1,622,732	\$ 1,498,038	\$ 7,604,055	\$ 21,132,738
Average Tax Credit per Owner	\$ 5,433	\$ 5,610	\$ 8,781	\$ 11,269	\$ 14,132	\$ 8,072	\$ 5,978
# of Beg. Farmers Paying Rent	209	174	157	124	97	761	2908
Total Rent Paid by Beg. Farmers	\$ 12,054,169	\$ 11,044,829	\$ 14,976,807	\$ 13,828,643	\$ 12,614,021	\$ 64,518,468	\$ 178,314,216
Average Rent Paid per Beg. Farmer	\$ 57,675	\$ 63,476	\$ 95,394	\$ 111,521	\$ 130,041	\$ 84,781	\$ 61,319
Applications Received	62	73	29	32	41	237	1260

NextGen Financial Report

FY 2024 - 2025
July 1, 2024 - June 30, 2025

Account Code Description	Budgeted	Year-To-Date	Percent of Budget	Variance - Favorable (Unfavorable)
510000 Personnel Services				
511100 PERMANENT SALARIES-WAGES	49,867.00	28,422.21	57.00%	21,444.79
512100 VACATION LEAVE EXPENSE		7,473.35	0.00%	(7,473.35)
512200 SICK LEAVE EXPENSE		5,274.00	0.00%	(5,274.00)
512300 HOLIDAY LEAVE EXPENSE		2,295.97	0.00%	(2,295.97)
515100 RETIREMENT PLANS EXPENSE	3,740.00	3,254.62	87.02%	485.38
515200 FICA EXPENSE	3,815.00	3,203.54	83.97%	611.46
515500 HEALTH INSURANCE EXPENSE	18,362.00	4,768.26	25.97%	13,593.74
516500 WORKERS COMP PREMIUMS		590.65	0.00%	(590.65)
510000 Personnel Services Total	\$ 75,784.00	\$ 55,282.60	72.95%	\$ 20,501.40
520000 Operating Expenses				
521100 POSTAGE EXPENSE	425.65	135.20	31.76%	290.45
521400 DATA PROCESSING EXPENSE	3,500.00	2,788.50	79.67%	711.50
521401 DATA CENTER	636.37	850.79	133.69%	(214.42)
521412 OCIO - VOICE	427.97	335.03	78.28%	92.94
521500 PUBLICATION & PRINT EXPENSE	500.00	367.75	73.55%	132.25
522100 DUES & SUBSCRIPTION EXP		15.26	0.00%	(15.26)
522200 CONFERENCE REGISTRATION	25.00	26.80	107.20%	(1.80)
524600 RENT EXPENSE-BUILDINGS	2,200.00	2,323.80	105.63%	(123.80)
531100 OFFICE SUPPLIES EXPENSE	25.00		0.00%	25.00
534946 PROMOTIONAL SUPPLIES	100.00		0.00%	100.00
541100 ACCTG & AUDITING SERVICES	125.00	131.43	105.14%	(6.43)
541400 STATE ACCOUNTING ASSESSMENT	20.00	420.50	2102.50%	(400.50)
559100 OTHER OPERATING EXPENSE	250.00	45.00	18.00%	205.00
559122 NONSTATE MEALS & FOOD		283.47	0.00%	(283.47)
524744 EXHIBIT SPACE		21.50	0.00%	(21.50)
533132 UNIFORMS/CLOTHING		88.20	0.00%	(88.20)
520000 Operating Expenses Total	\$ 8,234.99	\$ 7,833.23	95.12%	\$ 401.76
570000 Travel Expenses				
571100 LODGING	100.00	24.50	24.50%	75.50
571600 MEALS - TAXABLE		260.89	0.00%	(260.89)
571800 MEALS - TRAVEL STATUS	451.98	3.88	0.86%	448.10
573100 STATE-OWNED TRANSPORT	25.00	327.29	1309.16%	(302.29)
574500 PERSONAL VEHICLE MILEAGE	2,025.00	185.50	9.16%	1,839.50
575100 MISCELLANEOUS TRAVEL EXPENSI	100.00		0.00%	100.00
570000 Travel Expenses Total	\$ 2,701.98	\$ 802.06	29.68%	\$ 1,899.92
Grand Total	\$ 86,720.97	\$ 63,917.89	73.71%	\$ 22,803.08



FY24/25 Outreach Activities

July 1, 2024 – June 30, 2025

- Nebraska Agricultural Youth Institute (NAYI) Panel, UNL – July 9, 2024
- NAYI Career Fair, UNL – July 11, 2024
- Governor's Ag & Economic Summit, Kearney – August 7-8, 2024
- LAPI Community of Practice Meeting, Virtual – August 15, 2024
- Husker Harvest Days, Grand Island – September 10-12, 2024
- AgCeptional Women's Conference, Norfolk – November 22, 2024
- NE Assn of County Officials Annual Conference, Kearney – October 18-19, 2024
- AgCeptional Women's Conference, November 22, 2024, Norfolk
- NE Cattlemen's Annual Conference, December 11-12, 2024, Kearney
- NE Association of County Officials Conference, December 18-19, 2024, Kearney
- NE Sustainable Ag Society Conference, January 31, 2025, Nebraska City
- UNL Women in Ag Conference, February 20-21, 2025, Kearney
- NE State Dairy Assn Annual Conference, February 25, 2025, West Point
- Sandhills Ranch Expo, June 19, 2025, Bassett
- Saunders County Economic Development Summit, June 30, 2025, Ithaca,
- Rural Response Council Meetings:
 - October 2024, Lincoln
 - January 21, 2025, Lincoln
 - April 22, 2025, Lincoln
- Beginning Farmer Network Meetings:
 - January 24, 2025, Lincoln
 - April 9, 2025, Lincoln