

June 2024

Tax Credits & Incentives Available for the Lake Erie Region Grape & Wine Industry



PennState Extension

Cornell Cooperative Extension
Lake Erie Regional Grape Program

Please review each program with your accountant/tax preparer before applying to understand all requirements of the program. Contact Andrew Holden, Business Management Educator, with any questions at azh6192@psu.edu or by calling 716-640-2656. If you know of a program that wasn't listed and would benefit those in the industry, please contact Andrew. Information was compiled in June of 2024 and is subject to change.

Program: Investment tax credit (ITC)	
State:	NY
Details:	You are entitled to this credit if you or your business placed qualified property into service during the tax year.
Amount:	If you are an eligible farmer, you may qualify to claim 20% of the investment credit base on qualifying property placed in service on or after 4/1/2022
For:	Growers
Availability:	Ongoing
More Info:	https://www.tax.ny.gov/pit/credits/investment_tax_credit.htm
Program: Farm workforce retention credit	
State:	NY
Details:	The farm workforce retention credit is equal to a fixed dollar amount per eligible farm employee. Tax years beginning on or after January 1, 2022, and before January 1, 2026.
Amount:	Credit amount per eligible farm employee - \$1,200
For:	Growers
Availability:	Ongoing
More Info:	https://www.tax.ny.gov/bus/ct/farm_workforce_ret_credit.htm
Program: Farm employer overtime credit	
State:	NY
Details:	You are entitled to this refundable credit if you or your business is an eligible farmer; and employs eligible farm employees that you paid eligible overtime. Eligible fiscal-year farmers who paid overtime after January 1, 2024, are eligible to claim this credit and request an advance payment of the credit beginning in tax year 2023. Eligible calendar-year farmers who paid overtime after January 1, 2024, are eligible to claim this credit and request an advance payment of the credit beginning in tax year 2024. They are not eligible in tax year 2023 because the overtime threshold is not reduced from 60 hours to 56 hours until January 1, 2024.
Amount:	Variable
For:	Growers, Some farm wineries
Availability:	Ongoing
More Info:	https://www.tax.ny.gov/pit/credits/farm-employer-overtime-credit.htm

Program: Agricultural Assessment Program	
State:	NY
Details:	The Agricultural Districts Law allows reduced property tax bills for land in agricultural production by limiting the property tax assessment of such land to its prescribed agricultural assessment value. Owners whose land satisfies the eligibility requirements may apply for an agricultural assessment.
Amount:	Dependent on soil type
For:	Growers
Availability:	Ongoing
More Info:	Please contact your county tax assessment office to request an application.
Program: New York State Small Business Subtraction Modification	
State:	NY
Details:	If you meet the definition of a small business or are a member, partner, or shareholder of an LLC, partnership, or New York S corporation that meets the definition of a small business, then you may deduct an amount equal to 15% of the net items of income, gain, loss, and deduction attributable to that business that are included in your federal adjusted gross income.
Amount:	15% of the net items of income, gain, loss, and deduction attributable to that business that are included in your federal adjusted gross income.
For:	Growers
Availability:	Currently
More Info:	https://www.tax.ny.gov/forms/current-forms/it/it225i.htm
Program: Resource Enhancement & Protection (REAP) Program	
State:	PA
Details:	REAP is a first-come, first-served program that enables farmers, businesses, and landowners to earn PA income tax credits to offset the cost of implementing conservation practices. Tax credits provided by the REAP program helps farmers off-set the costs of implementing best management practices (BMPs) that benefit their farms and work to protect water quality at the same time.
Amount:	REAP provides tax credits at levels of 50%, 75%, or 90% of costs incurred in the implementation of BMPs that reduce nitrogen, phosphorus, and sediment pollution. Projects eligible for 50% reimbursement: no-till planting equipment; precision nutrient application equipment; manure storage structures; cover crops; grazing practices; forested riparian buffers; others Projects eligible for 75% reimbursement: BMPs that reduce pollution runoff from animal concentration areas; Nutrient/Manure Management Plans; Conservation/Ag E&S Plans; others Projects eligible for 90% reimbursement (In a TMDL designated watershed) - multi-species cover crops; forested riparian buffers (50+ ft wide); livestock exclusion from streams and associated practices; others
For:	Growers
Availability:	The 2024-25 round of REAP is tentatively scheduled to open in July 2024. The 2024-25 REAP application will be available at that time.
More Info:	https://www.agriculture.pa.gov/Plants_Land_Water/StateConservationCommission/REAP/Pages/default.aspx

Program: Clean & Green

State: PA

Details: A property must be ten acres in size, and in Agricultural Use, Agricultural Reserve, or Forest Reserve. Agricultural Use applications may be less than 10 acres in size if the property is capable of generating at least \$2,000 annually in farm income.

Amount: Dependent on soil type

For: Growers

Availability: Ongoing

More Info: [Please contact your county tax assessment office to request an application.](#)**Program: Beginning Farmer Tax Credit Program**

State: PA

Details: Program provides tax credits to owners of agricultural assets who sell or rent agricultural assets to beginning farmers. The program is administered in consultation with the Department of Agriculture and the Department of Revenue.

Amount: An owner of agricultural assets is eligible for allocation of a tax credit equal to: 5% of the lesser of the sale price or fair market value of the agricultural asset, up to a maximum of \$32,000; **or** 10% of the gross rental income of the first, second, and third year of the rental agreement, up to a maximum of \$7,000 per year

For: Growers

Availability: Ongoing

More Info: <https://dced.pa.gov/programs/beginning-farmer-tax-credit-program/>