

## QUALIFICATIONS - REQUIREMENT

**Agricultural real property** which is actually used for such purposes and meets certain size or income restrictions, not including, however, a corporation which is the owner or lessee except for certain corporations which do not:

1. Have more than 10 shareholders.
2. Have as a shareholder a person (other than an estate) who is not an individual.
3. Have a nonresident alien as a shareholder: and
4. Have more than one class of stock.

**Timberland tracts** must be at least five acres. Tracts of timberland must be devoted actively to growing trees for commercial use. Tracts of timberland less than five acres qualify if any of the following conditions are met:

1. The tract is contiguous to another timberland tract of at least five acres.
2. The tract is under the same management system as another qualifying timberland tract.
3. The tract is owned in combination with nontimberland tracts that qualify as agricultural real property.

**Nontimberland (cropland) tracts** must be at least 10 acres. Tracts of nontimberland less than 10 acres qualify if any of the following are met:

1. Contiguous tracts with identical ownership meet the minimum acreage requirement when added together.
2. The person making application earned at least \$1,000 gross farm income in at least three of the past five years or at least three of the first five years if this is an initial application.
3. The property has been owned by current owner or an immediate family member of the current owner for at least ten years ending January 1, 1994 and the property is classified as agricultural real property for tax year 1994.

## DEFINITION OF AGRICULTURAL REAL PROPERTY

Agricultural real property shall mean any tract of real property which is used to raise, harvest or store crops, feed, breed or manage livestock, or to produce plants, trees, fowl or animals useful to man, including the preparation of the products raised thereon for man's use and disposed of by marketing or other means. It includes but is not limited to such real property used for agricultural, grazing, horticulture, forestry, dairying, and mariculture. The term "agricultural real property" shall not include any property used as the residence of the owner or others in that the taxation of such property is specifically provided for in Section 2 (C) and (E) of Act 208.