

Farmland – Other Exemption Categories and Definitions:

If claiming the “Farmland – Other” exemption, indicate the category below the real estate identified on this form qualifies:

- Agricultural Commodity – Any and all plant and animal products, including Christmas trees produced in Pennsylvania for commercial purposes.
- Agricultural Conservation Easement – An interest in land, less than fee simple, which interest represents the right to prevent the development or improvement of a parcel for any purpose other than agricultural production. The easement may be granted by the owner of the fee simple to any third party or to the Commonwealth, to a county governing body, or to a unit of local government. It shall be granted in perpetuity as the equivalent of covenants running with the land. The exercise or failure to exercise any right granted by the easement shall not be deemed to be management or control of activities at the site for purposes of enforcement of the act of October 18, 1988 (P.L. 756, No. 108), known as the “Hazardous Sites Cleanup Act”
- Agricultural Reserve – Noncommercial open space lands used for outdoor recreation or the enjoyment of scenic or natural beauty and open to the public for such use, without charge or fee, on a nondiscriminatory basis.
- Agricultural Use Property – Land used for the purpose of producing an agricultural commodity or devoted to and meeting the requirements and qualifications for payments or other compensation pursuant to a soil conservation program under an agreement with an agency of the federal government.
- Forest Reserve – Land of 10 acres or more, that is stocked by forest trees of any size and capable of producing timber or other wood products.

Business of Agriculture Exemption – Annual Certification

To maintain the “Business of Agriculture” exemption, each member of the same family who has inherited real estate for which the business of agriculture exemption was claimed is required to certify to the department that the real estate still qualifies for the “Business of Agriculture Exemption” for a period of seven years beyond the decedent’s date of death. If during the seven-year post-death period the real estate ceases to be used in the business of agriculture at any point or does not generate a minimum of \$2,000 of gross income in any year, the owner(s) must notify the department within 30 days of such occurrence and will be liable for inheritance tax in the amount that would have been paid on the fair market value of the real estate as of the date of the decedent’s death, plus interest. The department will supply the owners with the annual certification form.