

**SCHEDULE AU  
AGRICULTURAL USE  
EXEMPTIONS**

Estate of:	File Number:
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**This schedule may be used only by estates of decedents dying on or after July 1, 2012.**  
Use this schedule to report a farm interest for which the estate claims an exemption from inheritance tax under 72 P.S. § 9111(s) or (s.1).

**Attach the following information:**

- Written statement explaining in detail how the real estate qualifies for the claimed exemption.
- Copy of the county assessment card.
- Copy of the deed.

**CHOOSE EXEMPTION TYPE:**

**Business of Agriculture Exemption 72 P.S. § 9111(s)**

For Business of Agriculture Exemption, select the qualifying reasons below that apply and **complete all Sections on the form.**  
Check all that apply: *If you have not checked all of the ovals, you may not qualify for the Business of Agriculture Exemption.*

- The parcel is being reported on a timely filed return. (See 72 P.S. § 9166)
- The parcel generates a gross income of at least \$2,000 annually.
- The parcel is not being leased to a non-qualifying third party.

**Farmland Other Exemption 72 P.S. § 9111(s.1)**

For Farmland Other Exemption, select the category of exemption below and **complete Section I** only.  
Select the appropriate category of exemption. *(For definitions of each category see instructions.)*

- Agricultural Commodity
- Agricultural Conservation Easement
- Agricultural Reserve
- Agricultural Use Property
- Forest Reserve

**SECTION I PROPERTY INFORMATION – ONLY ONE PARCEL PER FORM**

Parcel Identification Number:		Physical Location or Street Address:		
County	City	State	ZIP Code	
Percentage of land to be exempted: _____ %		Percentage of structures to be exempted: _____ %		
Date of death value of the land:         \$ _____		Date of death value of structures:         \$ _____		

**SECTION II STRUCTURES** Describe each structure that is being included as part of the Business of Agriculture Exemption.

Structure Type	Qualifying Description

**Important:** Structures affixed to real estate that do not qualify for the exemption must be valued and reported on Schedule A, F or G of the Inheritance Tax Return, as appropriate.

**SECTION III CERTIFYING OWNER(S)/TRANSFeree(S) INFORMATION (Business of Agriculture Exemption)**

To maintain the business of agriculture exemption, each owner for whom the exemption was claimed is required to certify to the department that the real estate still qualifies for the 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 owner(s) with the annual certification form each year of the certification period.

Provide the name and mailing address of all transferees of the real estate listed in Section I. (attach additional sheets if necessary).

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

OWNER NAME \_\_\_\_\_ RELATIONSHIP TO DECEDENT \_\_\_\_\_

MAILING ADDRESS \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

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CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP CODE \_\_\_\_\_

TELEPHONE NUMBER \_\_\_\_\_

# Instructions for REV-1197 Schedule AU

## Agricultural Use Exemptions

REV-1197 IN (EX) 09-19

### GENERAL INFORMATION

#### PURPOSE OF SCHEDULE

Use REV-1197 Schedule AU to claim an exemption from inheritance tax for real estate pursuant to either the business of agriculture exemption or the farmland-other exemption.

### FORM INSTRUCTIONS

#### Estate of

Enter the complete name of the estate as shown on REV-1500, Pennsylvania Inheritance Tax Return.

#### File Number

Enter the file number of the estate assigned by the register of wills as shown on REV-1500, Pennsylvania Inheritance Tax Return.



**NOTE:** In addition to the written statement, you must submit a copy of the county assessment card, deed, a statement of the real estate's fair market value, and any appraisal for verification purposes, or an appraisal of the fair market value of the residential property, farm outbuilding(s), and agricultural use property.

### GENERAL INSTRUCTIONS



**IMPORTANT:** This schedule is appropriate only for estates of decedents dying on or after July 1, 2012.



**IMPORTANT:** Submit one Schedule AU for each parcel of real estate for which the estate is claiming an exemption.

#### Exemption Type

Check the oval next to the exemption being claimed. Select only one exemption. Descriptions of the exemptions can be found in the department's Informational Notice - Inheritance Tax 2012 - 01.

Attach a written statement explaining in detail how the real estate qualifies for the claimed exemption. In addition, if the estate is claiming an exemption for any structure affixed to the real estate, identify the structure and explain in detail how each structure qualifies for the claimed exemption. Structures affixed to the real estate that do not qualify for an exemption must be valued and reported on REV-1502, Schedule A. Failure to provide this information may result in a denial of the claimed exemption or a delay in processing the return.

#### Farmland Other categories definitions:

Agricultural Commodities – Any and all plant and animal products, including Christmas trees produced in Pennsylvania for commercial purposes.

Agricultural Conservation Easements – An interest in land, less than fee simple, which interest representing 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 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 Oct. 18, 1988 (P.L. 756, No. 108), known as the "Hazardous Sites Cleanup Act".

Agricultural Reserves – 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 Reserves – Land of 10 acres or more, that is stocked by forest trees of any size and capable of producing timber or other wood products.

### LINE INSTRUCTIONS

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### SECTION I

#### Property Information

**Property Parcel Identification Number:** Identify the parcel of real estate for which the exemption is being claimed and provide the requested identifying information.

**Physical Location:** Provide the street address, city and county in which the parcel of real estate is located.

**Percentage of Parcel Exempted:** Report the percentage and value of the land and structures, which the decedent owned and for which the exemption is being claimed.

**Date of Death value under 72 P.S. § 9121:** Provide the date of death fair market value of the real estate, land and structures.

 **IMPORTANT:** If the real estate is disqualified from the business of agriculture exemption at any point during the seven year certification period, the recapture tax due is based on the fair market value of the real estate, not the preferred agricultural use value.

**SECTION II**

**Structures**

If the estate is claiming the business of agriculture exemption, structures used for the business of agriculture that are affixed to the real estate may qualify for the exemption. If the structure qualifies, identify the structure and explain in detail how each structure qualifies for the exemption being claimed.

If additional space is needed, include further details in the written statement that should accompany this schedule.

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**SECTION III**

**Owner Information**

Provide the name, mailing address, phone number and relationship to the decedent of all qualified transferees of the real estate. The mailing address will be used by the department to send an annual certification form to verify compliance with the requirements of the business of agriculture exemption.

 **CAUTION:** Farm machinery and equipment owned by the decedent are NOT exempt when claiming either exemption and must be reported on REV-1508, Schedule E.