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KANSAS BULLETIN NO. KS300-13-12

SUBJECT: LTP–Adjusted Gross Income Compliance for Successor-in-Interest of 2008 Farm Bill Contracts

Purpose. Provide guidance for handling adjusted gross income (AGI) compliance for 2008 Farm Bill successor-in-interest conservation program contracts (CPC) administered by Natural Resources Conservation Service (NRCS)

Expiration Date. September 30, 2014

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) implemented a \$1 million average non-farm AGI limitation for all conservation programs. The 2008 Farm Bill expired September 30, 2012; however, all multi-year conservation program applications approved before October 1, 2012, remain subject to the \$1 million average non-farm AGI limitation for the term of the contract or agreement.

If a successor-in-interest occurs on a CPC approved before October 1, 2012, the successor-in-interest is subject to the \$1 million average non-farm AGI limitation. For payment eligibility purposes, successors-in-interest are required to certify compliance or non-compliance to the \$1 million average nonfarm AGI. The year of agreement succession (e.g., 2013) determines the applicable 3-year period for the calculation of the average non-farm AGI amount for the successors-in-interest for AGI compliance purposes.

Beginning November 5, 2012, Farm Service Agency (FSA) Form CCC-931C, Average AGI Certification and Consent to Disclosure of Tax Information, shall be used for individuals or legal entities (excluding joint operations or general partnerships) that are succeeding to a CPC approved on or after October 1, 2008, and before October 1, 2012.

NOTE: FSA Form CCC-526C, Payment Eligibility Average AGI for Certain Conservation Reserve Program Contracts Approved Before October 1, 2008, shall be used to certify AGI compliance for 2002 Farm Bill successors-in-interest.

Contact: Forward questions to Gaye L. Benfer at (785) 823-4569, or email her at gaye.benfer@ks.usda.gov.

(Signed)

ERIC B. BANKS
State Conservationist

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