



Farmland Protection Forum



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Scenario 1: Historical Tax Treatment for APR Gifts and Bargain Sales

Deduction capped at 30% of Adjusted Gross Income (AGI).

Carry forward for 5 years--6 including year of gift.

Full Fair Market Value	\$1,200,000
APR Value	\$1,000,000
50% Bargain Sale	\$500,000
AGI	\$50,000
AGI Cap	30%
Carry Forward (years) =	6
Maximum Annual Deduction =	\$15,000
Total Deduction =	\$90,000



Scenario 2: Current Tax Treatment for APR Gifts and Bargain Sales

Deduction capped at 50% of Adjusted Gross Income (AGI).

Carry forward for 15 years--16 including year of gift.

Full Fair Market Value	\$1,200,000
APR Value	\$1,000,000
50% Bargain Sale	\$500,000
AGI	\$50,000
AGI Cap	50%
Carry Forward (years) =	16
Max. Annual Deduction=	\$25,000
Total Deduction =	\$400,000



Scenario 3: Current Tax Treatment for APR Gifts and Bargain Sales for Qualifying Farmers and Ranchers.

Deduction capped at 100% of Adjusted Gross Income (AGI).

Carry forward for 15 years--16 including year of gift.

Full Fair Market Value	\$1,200,000
APR Value	\$1,000,000
50% Bargain Sale	\$500,000
AGI	\$50,000
AGI Cap	100%
Carry Forward (years) =	16
Max. Annual Deduction =	\$50,000
Total Deduction =	\$800,000

