

King, William H.

**Working Paper**

## Utilization of Agricultural Exemptions in New York State on 1975 and 1976 Assessment Rolls

Staff Paper, No. SP 78-02

**Provided in Cooperation with:**

Charles H. Dyson School of Applied Economics and Management, Cornell University

*Suggested Citation:* King, William H. (1978) : Utilization of Agricultural Exemptions in New York State on 1975 and 1976 Assessment Rolls, Staff Paper, No. SP 78-02, Cornell University, Charles H. Dyson School of Applied Economics and Management, Ithaca, NY, <https://doi.org/10.22004/ag.econ.184386>

This Version is available at:

<https://hdl.handle.net/10419/276528>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*

*File Copy*  
Including 1977 Supplement

CORNELL  
AGRICULTURAL ECONOMICS  
STAFF PAPER

UTILIZATION OF AGRICULTURAL EXEMPTIONS IN  
NEW YORK STATE ON 1975 AND 1976 ASSESSMENT ROLLS

by

William H. King

March 1978

No. 78-2

Department of Agricultural Economics  
Cornell University Agricultural Experiment Station  
New York State College of Agriculture and Life Sciences  
A Statutory College of the State University  
Cornell University, Ithaca, New York 14853

TABLE OF CONTENTS

	Page
DESCRIPTION OF THE STUDY .....	3
RESULTS OF THE STUDY .....	3
Farm Buildings and Structures .....	3
Farmland .....	6
PREVIOUS STUDIES AND SUMMARY .....	15
REFERENCES .....	18

UTILIZATION OF AGRICULTURAL EXEMPTIONS IN NEW YORK STATE ON  
1975 AND 1976 ASSESSMENT ROLLS\*

William H. King\*\*

This is a report on the extent to which agricultural exemptions are being used by New York State farmers. The specific exemptions include: 1) five-year exemptions on new farm buildings and structures and 2) exemptions on farmland assessed over its agricultural ceiling values.

In 1969, the legislature amended Section 483 of the Real Property Tax Law to provide for five-year tax exemptions for farm building improvements. The intent is to encourage new farm building construction and stave off the premature disinvestments in farming that occurs in areas of urban penetration and speculation.

The law provides that new or reconstructed structures or buildings essential to the operation of commercial agricultural and horticultural businesses may be exempted from taxes levied for school, county and town purposes for a period of five years after their construction. At the end of the exemption period, the improvement's depreciated contribution to total farm value is added back to the taxable portion of the farm.

Exemptions are determined by before and after appraisals. The assessor calculates the assessed value of the whole farm with and without the new improvement. The difference between the assessments is the basis for the value of the exemption.

---

\* Data based on surveys of town assessors and county real property tax directors conducted by the State Board of Equalization and Assessment and the author.

\*\* William H. King is research specialist in land economics in the Department of Agricultural Economics at Cornell University.

Helpful comments were provided by Professor Howard E. Conklin, Department of Agricultural Economics, Cornell University and Nelson Bills, agricultural economist, Natural Resource Division, ERS-USDA, stationed at Cornell University.

Exempted taxes are levied as a rollback tax if the property is converted to a nonfarm use during the five-year exemption period. The rollback tax is calculated as the amount of tax that would have been paid had no exemption been granted. The rollback does not apply in situations where farm use is simply discontinued.

Agricultural exemptions for farmland assessed above its agricultural ceiling value became effective in 1971. Agricultural use-value assessment is one of several provisions of the Agricultural District Law (Agriculture and Markets Law, Article 25AA). The general intent of the law is to encourage the continuance of a viable agricultural economy in the face of growing urban pressure and speculation. It offers farmers an opportunity to protect themselves from some of the rising costs and governmental actions associated with urban penetration and provides discouragements to all other competitive land uses within good farm areas. District boundaries are reviewed by county legislatures and the State every eight years.

A main provision of the law gives owners who participate in agricultural districts the option of receiving agricultural ceiling assessments on parcels that contain 10 or more acres and have produced an average of at least \$10,000 in gross farm receipts during the previous two years. Gross value of crops and/or livestock receipts resulting from production on rented land may be added to an owner-operator's gross income in order to qualify. Landlords can qualify if land they rent to farmers produces crops valued at \$10,000 or more. Landlords may also use livestock receipts to qualify if their rental unit included buildings where crops were converted to milk, beef, etc. Land receiving an agricultural ceiling assessment is subject to a maximum five-year rollback of the exempted taxes if converted to a nonfarm use. The rollback only applies to the acreage converted.

The Agricultural District Law also provides individual farmland owners who are not in a district the opportunity to receive agricultural ceiling assessments by filing an agricultural commitment. Eligibility requirements are identical but owners must, in writing, commit their land to farming for eight years. The eight-year commitment must be renewed each year. If any land in a commitment is converted to a nonfarm use while the commitment is still in effect it is subject to a penalty equal to two times the taxes determined in the year following the breach of commitment. The penalty is levied on the total acreage in the commitment.

#### DESCRIPTION OF THE STUDY

Agricultural exemption data for 1975 and 1976 assessment rolls were obtained from the State Board of Equalization and Assessment. Information for each town was aggregated and summarized on a county basis.

Data on farmland receiving agricultural ceiling assessments in agricultural districts and individual farm commitments were collected by survey because the information was not available from the State Board of Equalization and Assessment. Surveys of county real property directors were conducted to determine this breakdown for all towns. In the case of Monroe County, town assessors were surveyed.

#### RESULTS OF THE STUDY

##### Farm Buildings and Structures

No agricultural exemptions on buildings and structures were found in Hamilton, Nassau, Putnam, Rockland and Warren Counties during 1975, but they occurred in all other counties outside New York City (Table 1). Some 660 towns in 52 counties had farm improvement exemptions with an assessed value totaling \$34,816,588. The average exemption amounted to \$4,680.

Table 1  
Exemptions Under the Five Year Tax Exemption Law for Farm Real Estate Improvements  
New York State, 1975 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Improvement Exemptions	Full Value of Improvement Exemptions	Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property
Albany	5	12	\$ 30,000	\$ 235,237	.0001
Allegany	22	92	347,408	1,331,181	.0032
Broome	10	80	267,275	1,188,536	.0006
Cattaraugus	26 <sup>a/</sup>	230	600,130	2,039,587	.0023
Cayuga	22	306	1,534,374	4,914,875	.0070
Chautauqua	26	409	3,574,711	4,074,106	.0033
Chemung	7	42	131,005	714,723	.0007
Chenango	20	226	522,235	2,673,402	.0055
Clinton	12	294	726,125	3,036,817	.0050
Columbia	15	109	537,233	3,291,510	.0025
Cortland	15	160	1,301,225	3,233,643	.0058
Delaware	15	133	523,050	1,790,349	.0024
Dutchess	14	39	433,290	469,836	.0002
Erie	16	166	411,550	2,072,726	.0002
Essex	5	22	50,125	313,041	.0008
Franklin	11	80	155,850	885,793	.0018
Fulton	5	18	37,520	152,935	.0005
Genesee	13	229	724,700	2,566,269	.0054
Greene	7	24	54,500	297,734	.0004
Hamilton	N	N	N	N	N
Herkimer	13	235	331,240	2,161,805	.0026
Jefferson	20	438	2,550,198	6,835,795	.0094
Lewis	13	277	1,430,300	4,051,988	.0212
Livingston	17	172	706,120	3,226,327	.0068
Madison	15 <sup>b/</sup>	260	1,390,990	2,368,438	.0050
Monroe	12	59	342,600	1,143,206	.0002
Montgomery	8	140	883,970	2,375,907	.0056

Table 1 (continued)

County	Number of Towns	Number of Exemptions	Value of		Full Value of Improvement Exemptions	Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property
			Improvement Exemptions	Improvement Exemptions		
Nassau	N	N	N	N	N	N
Niagara	11	123	830,900	1,853,555	.0011	.0011
Oneida	17	128	403,650	1,455,366	.0007	.0007
Onondaga	11	46	228,000	1,115,953	.0002	.0002
Ontario	14	187	1,118,975	2,863,398	.0033	.0033
Orange	14	78	814,313	829,811	.0003	.0003
Orleans	10	143	897,950	2,004,656	.0076	.0076
Oswego	8	62	172,950	1,145,594	.0009	.0009
Otsego	22	262	1,007,050	2,729,915	.0042	.0042
Putnam	N	N	N	N	N	N
Rensselaer	5	33	50,800	435,066	.0002	.0002
Rockland	N	N	N	N	N	N
St. Lawrence	19	348	744,430	3,191,003	.0031	.0031
Saratoga	7	37	136,160	668,055	.0005	.0005
Schenectady	2	11	17,550	156,634	.0001	.0001
Schoharie	16	117	169,730	1,773,180	.0052	.0052
Schuyler	8	48	298,050	407,340	.0032	.0032
Seneca	9	101	1,131,779	1,092,374	.0038	.0038
Steuben	26	289	1,084,776	3,885,884	.0036	.0036
Suffolk	6	40	220,870	1,143,217	.0001	.0001
Sullivan	10	52	388,050	2,332,971	.0022	.0022
Tioga	6	91	424,900	1,018,616	.0042	.0042
Tompkins	9	151	1,567,170	3,044,783	.0040	.0040
Ulster	9	31	430,030	1,010,173	.0010	.0010
Warren	N	N	N	N	N	N
Washington	14	135	352,445	2,356,544	.0041	.0041
Wayne	14	172	626,200	2,315,368	.0024	.0024
Westchester	4	6	164,100	233,435	c/	c/
Wyoming	16	371	1,194,960	4,453,378	.0152	.0152
Yates	9	119	743,076	1,594,564	.0044	.0044
Total	660	7,433	\$34,816,588	\$102,556,599	.0012 (average)	.0012 (average)

a/ Includes City of Salamanca.

b/ Includes City of Oneida.

c/ Less than .0001.

N Farm building exemption not in use.

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.



The full value of the exemptions for each county was determined by adjusting the town exemption values on the basis of town equalization rates and adding the resulting figures for each county. This calculation provides a rough estimate of the market value of new farm improvements. Full value figures for 1975 assessment rolls are presented in Table 1.

The State total full value in 1975 amounted to \$102,556,599.

The ratio of farm improvement exemptions to the total value of all taxable property in the various counties having such exemptions in 1975, ranged from less than .01 percent in Westchester County to 2.12 percent in Lewis County. The average was .12 percent.

Exemptions on farm buildings and structures increased on 1976 assessment rolls. Fifty-three counties outside New York City had exemptions totaling \$40,759,134. The average exemption that year amounted to \$5,340 (Table 2).

The State total full value amounted to \$111,136,260 in 1976.

The ratio of farm improvement exemptions to the total value of all taxable property in the various counties having such exemptions in 1976, ranged from .01 percent in Westchester County to 1.63 percent in Lewis County. The average was .12 percent (Table 2).

#### Farmland

Exemptions on farmland assessed over the agricultural ceilings occurred on approximately 163,080 acres in agricultural districts in 1975 (Table 3). Thirty-nine towns in seven counties exempted \$97,487,099. Most of the exempted value occurred in Orange and Dutchess Counties. Their high participation was a direct result of a land market boom that took place just prior to county-wide assessment re-valuation.

Table 2  
Exemptions Under the Five Year Tax Exemption Law for Farm Real Estate Improvements  
New York State, 1976 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Improvement Exemptions	Full Value of Improvement Exemptions	Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property
Albany	4	14	\$ 31,500	\$ 244,530	.0001
Allegany	23	109	488,916	1,595,931	.0037
Broome	10	75	270,300	1,417,015	.0006
Cattaraugus	28 <sup>a/</sup>	243	652,265	2,519,519	.0025
Cayuga	22	293	1,515,774	4,892,770	.0063
Chautauqua	26	410	3,524,342	4,384,416	.0032
Chemung	8	37	124,255	772,190	.0007
Chenango	18	225	2,018,015	1,756,256	.0039
Clinton	12	249	667,460	3,188,169	.0045
Columbia	14	101	405,685	2,049,653	.0019
Cortland	15	164	1,449,585	3,920,734	.0063
Delaware	16	128	871,850	1,428,359	.0026
Dutchess	14	38	517,095	656,208	.0003
Erie	20	167	365,300	2,127,134	.0002
Essex	6	27	55,365	348,706	.0009
Franklin	11	77	146,400	870,918	.0016
Fulton	5	20	42,070	208,811	.0005
Genesee	13	249	2,965,043	2,374,026	.0041
Greene	7	24	55,950	319,296	.0004
Hamilton	N	N	N	N	N
Herkimer	14	225	342,485	2,479,634	.0026
Jefferson	19	423	2,534,709	7,235,068	.0092
Lewis	14	266	1,306,850	4,007,254	.0163
Livingston	17	173	727,540	3,518,018	.0068
Madison	15 <sup>b/</sup>	270	1,458,090	3,202,300	.0051
Monroe	14	71	359,800	1,198,732	.0002
Montgomery	8	138	784,728	2,421,632	.0049

Table 2 (continued)

County	Number of Towns		Number of Exemptions		Value of Improvement Exemptions		Full Value of Improvement Exemptions		Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property	
	N		N		N		N		N	
Nassau	11		134		815,000		2,046,044		.0010	
Niagara	16		140		428,086		1,849,871		.0008	
Oneida	12		53		210,600		1,272,214		.0002	
Onondaga	15		217		1,393,325		3,284,226		.0036	
Ontario	14		108		1,139,390		1,258,997		.0004	
Orange	10		149		833,800		2,162,333		.0069	
Orleans	9		68		133,860		883,814		.0006	
Oswego	22		278		1,100,825		3,065,857		.0046	
Putnam	N		N						N	
Renssalaer	6		47		56,920		466,109		.0002	
Rockland	1		1		4,500		4,577		c/	
St. Lawrence	19		344		700,780		3,106,357		.0028	
Saratoga	5		32		66,600		532,105		.0002	
Schenectady	2		11		17,550		183,379		.0001	
Schoharie	15		115		171,300		1,917,064		.0050	
Schuyler	8		54		362,950		573,159		.0038	
Seneca	9		122		1,333,002		1,371,608		.0044	
Steuben	26		323		1,376,516		6,466,176		.0044	
Suffolk	5		42		274,245		2,455,382		.0002	
Sullivan	10		42		345,550		2,010,411		.0018	
Tioga	7		77		431,500		1,036,123		.0040	
Tompkins	9		154		899,400		1,981,303		.0022	
Ulster	8		42		1,363,288		1,325,390		.0018	
Warren	N		N						N	
Washington	14		121		396,575		2,842,809		.0046	
Wayne	14		191		666,950		2,764,961		.0025	
Westchester	3		4		152,200		273,395		c/	
Wyoming	16		382		1,123,710		5,279,653		.0140	
Yates	9		160		1,279,340		1,585,664		.0055	
Total	668		7,627		\$40,759,134		\$111,136,260		.0012 (average)	

N Farm building exemption not in use.

a/ Includes City of Salamanca.

b/ Includes City of Oneida.

c/ Less than .0001.

SOURCE: State Board of Equalization and Assessment.

Table 3  
 Exemptions Provided by Utilization of Agricultural Ceiling Values on Land in Agricultural Districts  
 New York State, 1975 Assessment Rolls

County	Number of Towns	Number of Exemptions	Estimated Number of Acres	Value Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Columbia	2	48	NA	\$ 778,225	\$ 4,022,545	.0037
Delaware	1	10	1,350	106,850	99,275	.0005
Dutchess	13	460	66,860	17,160,807	19,623,953	.0085
Monroe	3	124	10,060	1,608,496	2,279,022	.0008
Orange	18	1,545	78,740	72,338,986	73,817,177	.0241
Schoharie	1	1	60	5,415	60,234	.0002
Ulster	1	60	6,010	5,488,320	4,341,637	.0125
Total	39	2,248	163,080	\$97,487,099	\$104,243,843	.0121 (average)

NA Not available.

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.

Between 800 and 1,000 farmers are estimated to have been participating in the agricultural district ceiling program in 1975. The data were reported only by number of exemptions and not by farms, so the number of farmers was estimated on the basis of farm information collected in studies of assessments and farmland ownership at Cornell University.<sup>1/2/</sup> It was estimated that on the average each participating farmer received an exemption of nearly \$108,000 each.

The full value of the exemptions on land for each county was calculated in the same manner as for the farm improvement exemptions. Full value of the exemptions on land in agricultural districts amounted to \$104,243,843 in 1975.

The ratio of agricultural district exemptions on farmland to the total value of all taxable property in 1975 ranged from .02 percent in Schoharie County to 2.41 percent in Orange County. The average for all seven counties was 1.21 percent (Table 3).

Utilization of agricultural ceiling values on land in agricultural districts increased on 1976 assessment rolls (Table 4). Sixty towns in ten counties exempted \$112,088,016. It was estimated that over 200,000 acres were receiving an exemption. This involved between 900 and 1,100 farmers. On the average, it was also estimated that close to \$112,000 was exempted per farm in 1976.

The full value of the exemptions for all ten counties in 1976 totaled \$127,656,822.

---

<sup>1/</sup> King, William H., Land Ownership in Goshen, A Semi-Rural Town in Orange County, New York. Unpublished Master's Thesis, Department of Agricultural Economics, Cornell University, Ithaca, January 1976.

<sup>2/</sup> King, William H., Unpublished data compiled from interviews with Cortland County farmers. Department of Agricultural Economics, Cornell University, Ithaca, 1978.

Table 4  
Exemptions Provided by Utilization of Agricultural Ceiling Values on Land in Agricultural Districts  
New York State, 1976 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Chenango	7	179	\$ 1,274,439	\$ 1,149,738	.0025
Columbia	4	79	2,255,708	4,934,141	.0103
Delaware	3	83	2,835,170	2,894,550	.0086
Dutchess	13	508	18,431,056	23,744,807	.0090
Monroe	4	164	1,719,700	2,763,807	.0008
Orange	18	1,259	72,984,142	79,928,860	.0239
Otsego	1	32	257,950	355,548	.0011
Schoharie	1	1	7,234	83,341	.0002
Tioga	1	30	213,954	332,899	.0020
Ulster	8	331	12,108,663	11,469,131	.0161
Total	60	2,666	\$112,088,016	\$127,656,822	.0118 (average)

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.

The ratio of agricultural district exemptions to the total value of all taxable property in 1976 ranged from .02 percent in Schoharie County to 2.39 percent in Orange County. The average for all ten counties was 1.18 percent (Table 4).

Exemptions on land under the agricultural ceilings in individual farm commitments totaled \$19,721,807 on 1975 assessment rolls (Table 5). Thirty-two towns in ten counties had approximately 23,850 acres under the exemption. It was estimated that between 110 and 160 farmers were receiving the exemption. On average, it was estimated that close to \$146,000 was exempted per farm.

Full value of the exemptions on land in individual farm commitments amounted to \$21,315,855 in 1975.

The ratio of farm commitment exemptions to the total value of all taxable property ranged from less than .01 percent in Cayuga County to .23 percent in Rockland County. The average for all ten counties was .10 percent in 1975 (Table 5).

Farm commitment exemptions totaled \$22,209,050 on 1976 assessment rolls (Table 6). Some 39 towns in 12 counties utilized agricultural ceiling values on an estimated 28,000 acres of land in commitments. It was estimated that between 160 and 210 farmers were receiving the exemption that year. On the average, close to \$120,000 was exempted per farm.

Full value of the commitment exemptions totaled \$28,546,271 in 1976.

The ratio of commitment exemptions to total value of taxable property ranged from less than .01 percent in Ulster County to .22 percent in Orange and Rockland Counties. The average for all 12 counties was .11 percent in 1976 (Table 6).

In summary, let's look at the combined total of all three agricultural exemptions (farm buildings and structures, agricultural ceilings in

Table 5  
Exemptions Provided by Utilization of Agricultural Ceiling Values  
on Land in Individual Farm Commitments New York State, 1975 Assessment Rolls

County	Number of Towns	Number of Exemptions	Estimated Number of Acres	Value of Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Allegany	1	13	2,150	\$ 13,765	\$ 41,877	.0001
Cayuga	1	1	10	5,600	14,004	a/
Dutchess	11	86	8,200	2,150,762	2,401,714	.0011
Monroe	2	76	3,670	1,660,804	1,936,945	.0008
Onondaga	1	10	870	107,250	78,652	.0001
Orange	8	74	4,530	6,043,272	6,146,967	.0020
Putnam	2	2	730	103,004	368,603	.0003
Rockland	2	34	670	6,452,000	6,084,923	.0023
Suffolk	2	24	1,340	147,950	1,335,899	.0001
Westchester	2	34	1,680	3,037,400	2,906,271	.0006
Total	32	354	23,850	\$19,721,807	\$21,315,855	.0010 (average)

a/ Less than .0001.

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.



Table 6  
Exemptions Provided by Utilization of Agricultural Ceiling Values on Land in Individual Farm Commitments  
New York State, 1976 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Allegany	3	41	\$ 409,064	\$ 416,499	.0031
Cayuga	2	14	175,100	156,026	.0007
Dutchess	9	103	2,180,671	2,755,426	.0011
Monroe	1	48	1,624,600	1,995,578	.0007
Onondaga	1	10	107,250	89,167	.0001
Orange	9	84	6,642,841	7,491,432	.0022
Putnam	3	11	116,244	450,385	.0004
Rockland	2	31	6,121,200	6,189,617	.0022
Suffolk	2	95	446,950	4,236,214	.0003
Ulster	1	5	7,750	144,860	a/
Westchester	5	49	4,331,980	4,575,992	.0008
Yates	1	5	45,400	45,075	.0002
Total	39	496	\$22,209,050	\$28,546,271	.0011 (average)

a/ Less than .0001.

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.

agricultural districts, and agricultural ceilings under individual commitments) by determining the ratio of all agricultural exemptions to the total value of taxable property. On 1975 assessment rolls, four counties had agricultural exemptions that exceeded 1.00 percent of the total county taxable value. Orange County was the highest with 2.64 percent. On 1976 assessment rolls, seven counties had agricultural exemptions that exceeded 1.00 percent of the total county taxable value. Orange County was the highest, again, with 2.65 percent.

At the municipal level, agricultural exemptions as a percent of total town taxable value may be quite a bit higher than the county average. This typically occurs where farm property accounts for a moderate share of the total assessed value and a large acreage of districted land has been assessed above its agricultural ceiling.

#### PREVIOUS STUDIES AND SUMMARY

Five-year building exemptions were studied earlier by Linton and Bryant.<sup>3/4/</sup> In 1972, Linton estimated that one-fourth of the state's qualified agricultural investments were under the exemption in 1970, and that this participation affected approximately five percent of all commercial farmers.

Most of the 138 farmers interviewed by Linton stated that the exemption would be an important factor in future investment decisions. The reason most often given was the availability of money that would otherwise be paid in taxes during the exempt period.

---

<sup>3/</sup> Linton, Robert E., Five Year Tax Exemptions for Improvements in Farm Real Estate. Department of Agricultural Economics, A.E. Res. 73-17, Cornell University, Ithaca, September 1973.

<sup>4/</sup> Bryant, William R., The Effects of Urban Expansion on Farming in Wayne County, New York. Department of Agricultural Economics, A.E. Res. 75-28, Cornell University, Ithaca, October 1975.

In 1974, Bryant surveyed 71 farmers in Wayne County who had made farm investments. Approximately \$590,000 of investment on sample farms qualified for the five-year tax exemption while approximately \$431,000 of investment actually received the exemption. Close to one-third of all sample farmers had used the exemption.

Based on the information presented earlier in this paper, the author estimates that between 6,000 and 7,000 farmers in the State were utilizing the five-year building exemption in the 1975 - 1976 period. This approximated 25 - 30 percent of New York's commercial farmers.

Some problems have been associated with the use of the five-year farm improvement exemption. New buildings and structures have been found to be over-assessed fairly commonly under the law.<sup>5/</sup> It appears that local assessors are not consistently determining the contributory value and annual depreciation of the new investments. Linton's study found that assessed valuations of exempt improvements had been made at a higher proportion of investment cost than seemed reasonable based on what the new improvements usually add to actual farm sale prices. There seemed to be a tendency to over-emphasize the cost of the improvement and to under-emphasize what the new structure actually would contribute to the sale price of the whole farm.

Prior to the passage of the farm improvement exemption law, new structures sometimes went unnoticed completely or they went on the roll at a low value. Local assessors didn't have the time and money to maintain a completely accurate assessment roll. Consequently, some farmers now under the exemption may not be as favorably treated as they would have been before the law was passed. However, given present laws and practices around the state, the exemption should realize continued usage.

---

<sup>5/</sup> Linton, Op. cit.

This is the first study to determine the utilization of agricultural ceiling values within agricultural districts and under individual farm commitments. Both Orange and Dutchess Counties had a large number of towns participating and high exemption values.

There were 163,080 districted acres (between 800 and 1,000 farmers) that received agricultural ceiling values in 1975. This was only about five percent of the districted acreage. In 1976, nearly 200,000 acres (between 900 and 1,100 farmers) in agricultural districts received the exemption, and again the acreage was about five percent of all land in districts.

Individual commitments are being used sparingly around the state, usually close to urban areas where the few scattered farmers remaining find it difficult to form agricultural districts or in remote areas where most farms have been abandoned or little land was ever farmed, and recreation and second homes are putting pressures on farmers. The non-tax provisions of the Agricultural District Law are not available to farmers using commitments, but the tax incentive may be enough to help farmers stay in business.

In 1975, approximately 23,850 acres (between 110 and 160 farmers) in ten counties received agricultural ceiling values on land in farm commitments. The following year, 28,000 acres (between 160 and 210 farmers) in 12 counties were committed and received agricultural ceiling values.

REFERENCES

- Bryant, William R., The Effects of Urban Expansion on Farming in Wayne County, New York. A.E. Res. 75-28, Department of Agricultural Economics, Cornell University, Ithaca, October 1975.
- King, William H., Land Ownership in Goshen, A Semi-Rural Town in Orange County, New York. Unpublished Master's Thesis, Department of Agricultural Economics, Cornell University, Ithaca, January 1976.
- \_\_\_\_\_, Unpublished data compiled from interviews with Cortland County farmers. Department of Agricultural Economics, Cornell University, Ithaca, 1978.
- Linton, Robert E., Five Year Tax Exemptions for Improvements in Farm Real Estate. A.E. Res. 73-17, Department of Agricultural Economics, Cornell University, Ithaca, September 1973.
- State Board of Equalization and Assessment, Summary of Partially Exempt Property, Albany, 1975 and 1976.

Exemptions Under the Five Year Tax Exemption Law for Farm Real Estate  
New York State, 1977 Assessment Rolls

Improvements

County	Number of Towns	Number of Exemptions	Value of Improvement Exemptions	Full Value of Improvement Exemptions	Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property
Albany	5	12	\$ 28,100	\$ 248,092	<u>c/</u> .0033
Allegany	24	121	494,716	1,760,155	.0006
Broome	10	80	303,000	1,905,455	.0021
Cattaraugus	28 <sup>a/</sup>	234	587,110	2,550,566	.0034
Cayuga	22	356	1,491,404	5,023,019	.0034
Chautauqua	27	500	3,767,992	5,065,761	.0009
Chemung	8	40	158,850	864,608	.0048
Chenango	18	239	2,548,980	2,392,308	.0035
Clinton	12	190	541,210	2,787,143	.0021
Columbia	14	103	692,995	2,112,102	.0025
Cortland	15	141	1,309,400	1,209,748	.0037
Delaware	15	158	1,395,500	2,816,943	.0003
Dutchess	14	46	612,315	870,237	.0002
Erie	19	155	358,970	2,296,294	.0010
Essex	6	28	61,555	442,956	.0017
Franklin	11	81	163,500	995,198	.0004
Fulton	3	18	32,970	183,660	.0044
Genesee	13	264	3,302,439	2,945,584	.0002
Greene	6	16	27,150	150,418	N
Hamilton	N	N	N	N	.0024
Herkimer	15	210	311,505	2,504,687	.0091
Jefferson	19	418	2,545,491	7,741,313	.0157
Lewis	14	270	1,253,800	4,186,660	.0062
Livingston	17	167	673,495	3,321,201	.0047
Madison	15 <sup>b/</sup>	265	1,416,800	3,459,108	.0002
Monroe	14	89	412,900	1,270,495	.0050
Montgomery	9	129	796,738	2,725,823	

County	Number of Towns	Number of Exemptions	Value of Improvement Exemptions	Full Value of Improvement Exemptions	Ratio of Improvement Exemptions to Assessed Value of Taxable Real Property
Nassau	N	N	N	N	N
Niagara	11	151	1,157,150	3,152,019	.0015
Oneida	17	154	477,576	1,941,012	.0008
Onondago	13	66	315,200	1,543,574	.0002
Ontario	16	213	1,605,550	3,278,486	.0033
Orange	14	134	1,440,945	1,718,572	.0005
Orleans	10	127	849,050	2,524,472	.0069
Oswego	10	66	126,260	926,727	.0006
Otsego	23	328	1,181,250	3,398,664	.0049
Putnam	N	N	N	N	N
Rensselaer	6	49	56,010	516,103	.0002
Rockland	1	1	4,500	4,768	c/
St. Lawrence	21	343	807,230	3,898,568	.0032
Saratoga	6	31	62,800	611,642	.0002
Schenectady	2	8	14,750	173,799	c/
Schoharie	19	101	174,450	2,045,512	.0051
Schuyler	8	145	1,021,800	1,502,514	.0082
Seneca	9	132	1,654,252	1,801,177	.0053
Steuben	27	326	1,443,922	7,144,514	.0045
Suffolk	5	46	267,745	2,453,248	.0001
Sullivan	9	29	69,075	647,289	.0004
Tioga	7	73	471,600	1,292,164	.0004
Tompkins	9	196	749,410	1,852,916	.0018
Ulster	8	98	1,828,533	3,300,752	.0024
Warren	N	N	N	N	N
Washington	15	143	458,100	3,392,867	.0049
Wayne	15	186	2,182,719	2,574,787	.0020
Westchester	1	3	52,700	59,508	.0001
Wyoming	16	428	1,090,350	5,991,141	.0132
Yates	9	188	1,802,780	1,996,940	.0066
Total	680	8,095	\$46,654,592	121,573,269	.0013 (average)

N Farm building exemption not in use.

a/Includes City of Salamanca.

b/Includes City of Oneida.

c/Less than .0001.

SOURCE: State Board of Equalization and Assessment.

Exemptions Provided by Utilization of Agricultural Ceiling Values on Land in Agricultural Districts  
 New York State, 1977 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Chenango	9	252	\$ 2,575,635	\$ 2,358,029	.0049
Columbia	4	108	5,752,687	6,849,285	.0173
Cortland	13	218	2,856,025	2,704,326	.0055
Delaware	7	185	3,997,725	4,737,109	.0106
Dutchess	13	581	19,210,006	27,392,025	.0092
Madison	5	223	4,306,770	5,951,790	.0019
Orange	17	1,351	62,755,745	75,174,270	.0204
Otsego	3	96	471,450	966,202	.0020
Schoharie	3	9	13,830	154,808	.0004
Tioga	1	29	139,526	237,249	.0012
Ulster	6	261	13,024,482	13,413,926	.0173
Total	81	3,313	\$115,103,881	\$139,939,019	.0138 (average)

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.



Exemptions Provided by Utilization of Agricultural Ceiling Values on Land in Individual Farm Commitments  
New York State, 1977 Assessment Rolls

County	Number of Towns	Number of Exemptions	Value of Exemptions	Full Value of Exemptions	Ratio of Exemptions to Assessed Value of Taxable Real Property
Allegany	3	33	\$ 99,961	\$ 192,124	.0007
Cayuga	2	27	430,500	370,197	.0010
Chenango	5	18	210,731	197,407	.0004
Cortland	6	23	323,111	328,965	.0006
Dutchess	10	55	2,232,459	3,260,396	.0011
Erie	1	4	54,025	226,330	a/
Monroe	2	33	988,800	1,298,032	.0004
Onondaga	1	10	94,830	84,920	.0001
Orange	7	126	6,150,936	7,328,320	.0020
Putnam	3	10	116,881	996,202	.0004
Rockland	2	32	6,299,600	6,620,045	.0022
Suffolk	3	205	815,968	8,036,778	.0004
Sullivan	1	3	27,900	113,507	.0001
Ulster	5	29	871,591	978,055	.0012
Westchester	5	63	5,261,730	5,918,869	.0010
Yates	1	5	45,700	49,755	.0002
Total	57	676	\$24,024,723	\$35,999,902	.0010(average)

a/ Less than .0001.

SOURCES: State Board of Equalization and Assessment and survey conducted by William H. King.