

Agriculture Workforce Housing Tax Credit

Program Factsheet

Program Summary

The Agriculture Workforce Housing Tax Credit (AWHTC) Program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire, or rehabilitate agriculture workforce housing. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete a farmworker housing project. The total amount of available credits for each biennium is \$16.75 million. There is a set-aside for on-farm projects of \$1.675 per year. 100 percent of the credit may be transferred to a contributor of the project.

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Eligibility Requirements

The credit is available to anyone who pays or incurs costs for the construction, rehabilitation, or installation of agriculture workforce housing. Nonprofit organizations are also eligible for this tax credit; although they do not pay taxes, they can transfer the tax credit to an investor who invests money into the housing project. The owner/operator must agree to maintain the housing as exclusively for agricultural workers for ten (10) years. Potential developers and/or investors need to apply prior to completion of construction.

Agriculture Workforce means any person who, for an agreed remuneration or rate of pay, performs temporary or permanent labor for another in the:

- A. Production of agricultural or aqua-cultural crops or products;
- B. Handling of agricultural or aqua-cultural crops or products in an unprocessed stage;
- C. Processing of agricultural or aqua-cultural crops or products;
- D. Planting, cultivating, or harvesting of seasonal agricultural crops; or
- E. Forestation or reforestation of lands, including but not limited to the planting, transplanting, tubing, pre-commercial thinning and thinning of trees and seedlings, the clearing, piling and disposal of brush and slash and other related activities.

Occupants can work part of the year as agriculture workforce and have other non-agricultural work jobs part of the year. If one family member in the housing unit has been an agricultural worker either seasonally or year-round while living there, the housing unit will qualify. Immediate family members can have non-agricultural work jobs some or all the year and the housing unit will still qualify.

Excluded from the definition of the agriculture workforce are owners or operators of the farm (individual farm owners, corporate shareholders, and partners) and their relatives. Also excluded from eligibility is agriculture workforce housing which is occupied by the owner or operator of the housing or relatives of the owner or operator. The housing cannot be rented to non-agricultural workers even during the off-season. While the housing can be vacant for part of the year and still qualify for the credit, the housing cannot be occupied for any part of the year by anyone other than the agricultural worker and their immediate families.

Eligible Costs

Eligible costs include acquisition costs, finance costs, construction costs, excavation costs, installation costs and permit costs.

Other eligible and ineligible costs include:

- The cost of purchasing land is not an eligible cost
- Capital expenditures for rehabilitation of existing housing are eligible; routine maintenance expenses are not. Reserves are also not eligible costs
- Operation Reserves, Lease-Up or other reserves are excluded from eligible costs
- The purchase and installation of new manufacturing housing is an eligible cost
- In a multi-unit dwelling, not all units need to be agriculture workforce housing, provided that the tax credit is apportioned according to the percentage of units that are agriculture workforce housing and provided that a fixed group of units is so identified

For More Information

For application materials, or to learn more about developing agriculture workforce housing in your area, contact Martin Jarvis, Program Manager, 971-388-6029.