



NEW YORK STATE SENATOR

Patrick M. Gallivan

Senator Gallivan Says Real Property Tax Exemption will Boost Agriculture Industry

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Senator Patrick M. Gallivan (R-C-I, Elma) says the extension of the state's Real Property Tax Law exemption on farm buildings will provide millions of dollars in continued tax relief for New York farmers. The Real Property Tax Law exempts agricultural producers from paying real property tax on buildings that are essential to the production of agricultural or horticultural products, such as temporary greenhouses, dairy barns and exercise arenas for horse-boarding operations. The governor recently signed a bill extending the tax exemption for ten years.

"The agricultural industry is vital to New York's economy and the state must do all it can to support our hardworking farmers," Senator Gallivan said. "By extending the tax exemption for another ten years, we can help growers and food producers save millions of dollars which they can use to offset expenses, purchase new equipment or expand their operations."

The Real Property Tax Law exemption applies to newly constructed and re-constructed agricultural buildings through January 1, 2029. Since it was last renewed in 2008, the exemption for farm structures is estimated to have saved New York farmers more than \$112.8 million.

Agricultural buildings have been exempt from state taxation for decades, but the law granting the exemption was set to expire on New Year's Day 2019. The new law, co-sponsored by Senator Gallivan, amends New York State's Real Property Tax Law to extend the tax break and ensure it will remain in effect for the next decade.

The law prohibits tax increases based on the value of construction or improvement of structures that are used for essential agricultural operations. That includes the cultivation, harvest and storage of commodities, the feeding, breeding and management of livestock, and housing for farm employees. Housing for immediate family members is not covered by the exemption unless the family members are non-owners and critical to the commercial operation of the farm.