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## DIGEST

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HB 502 Original

2023 Regular Session

McFarland

**Abstract:** Removes the requirement that persons and entities seeking to qualify as commercial farmers report income and expenses on a federal Schedule F form or other federal tax form to the Department of Revenue.

Present law defines "commercial farmer" as those persons occupationally engaged in producing food or agricultural commodities for sale. Further provides that these terms are limited to those persons and entities regularly engaged in the commercial production for sale of vegetables, fruits, crops, livestock, poultry, and other food or agricultural products that report farm income and expenses on a federal Schedule F or similar federal tax form.

Proposed law modifies present law by removing the reference to reporting farm income and expenses on a federal Schedule F or similar federal tax forms. Clarifies that individual and corporate entities income and expenses are still to be reported to the Dept. of Revenue (DOR).

Present law specifies that the term "commercial farmer" may include a landowner who is a party of a joint venture and who leases land to a commercial farmer. However, specifies that to qualify as a commercial farmer, the lessee landowner must submit documentation of the joint venture arrangement or a report of farm income and expenses from the joint venture on a federal Schedule F form or similar federal tax form to the DOR so the secretary can determine if the taxpayer is a commercial farmer.

Proposed law modifies present law by removing the requirement that the lessee landowner submit documentation of the joint venture to the DOR on a federal Schedule F form or similar federal tax form.

(Amends R.S. 47:301(30))