

# Conservation Tillage and Precision Agriculture Equipment Tax Credit

*(This new refundable credit replaces the Conservation Tillage Equipment Tax Credit and the Fertilizer and Pesticide Application Equipment Tax Credit.)*

## What is it?

A state income tax credit equal to 25% of the cost of the equipment; the amount of the credit cannot exceed \$17,500.

## You may qualify to claim this tax credit if:

- You are engaged in agricultural production for market.
- You have a soil conservation plan approved by your local Soil & Water Conservation District.
- You have a Nutrient Management Plan developed by a certified nutrient management planner.
- You purchase certain equipment designed to reduce soil compaction and disturbance, OR to more precisely apply fertilizers and pesticides.

## What kind of equipment qualifies?

- Equipment to reduce soil compaction and disturbance
  - “No till” planters and drills, including those attached to equipment you already own;
  - Guidance systems to control traffic patterns designed to reduce soil disturbance
- Precision fertilizer and pesticide application equipment
  - Equipment that meets the standards set by the Virginia Soil and Water Conservation Board
    - A copy of these standards is available upon request

## To apply for this credit:

**Virginia Form AEC (including required enclosures)** must be sent to the Virginia Department of Taxation **at least 90 days before you file your return.**

### Required Enclosures:

- 1) A invoice/bill of sale showing the purchase date and cost of the eligible equipment.
- 2) A certified statement signed by the producer, as well as the individual who prepared the Nutrient Management Plan, stating that the nutrient management plan is being implemented. **You will need to request this from your Nutrient Management Planner.**
- 3) A letter from the local Soil & Water Conservation District certifying the producer has an approved soil conservation plan. **You will need to request this letter from your Soil & Water Conservation District. This may take up to 30 days.**

The Virginia Department of Taxation will send you a letter certifying your credit once the application has been processed.

**You must have this certification letter from the Dept. of Taxation to claim the credit.**

**Should you have any questions regarding this information or to request the required Conservation Plan approval letter, contact Elizabeth Dellinger at the Shenandoah Valley SWCD office at (540) 534-3031 or [elizabeth.dellinger@svswcd.org](mailto:elizabeth.dellinger@svswcd.org).**