### General information

**What is the Farming and Fisheries Credit?**
The farming and fisheries credit is similar to the investment credit available to manufacturing, R&D corporations and corporations primarily engaged in agriculture or commercial fishing. The new credit applies to personal income taxpayers who are primarily engaged in agriculture, farming or commercial fishing. The amount of the credit is 3% of the cost or other basis for federal income tax purposes of qualifying property acquired, constructed or erected during the tax year. This credit is effective for tax years beginning on or after January 1, 2015.

**What is qualifying property?**
Qualifying property is defined as tangible personal property and other tangible property including buildings and structural components thereof which are located in Massachusetts, used solely in farming, agriculture or fishing, and are depreciable with a useful life of at least four years.

**What if I am a lessor or lessee?**
The law allows the same credit to lessees calculated as follows: 3% of a lessor’s adjusted basis in qualifying property for federal income tax purposes at the beginning of the lease term, multiplied by a fraction, the numerator of which is the number of days of the tax year during which the lessee leases the qualifying property and the denominator of which is the number of days in the useful life of the property. Where the lessee is eligible for the credit, the lessor is generally not eligible, with the exception of “equine-based businesses where care and boarding of horses is a function of the agricultural activity”.

**Is there a recapture provision?**
If the property on which a credit is taken is disposed of or ceases to be in qualified use prior to the end of its useful life, the difference between the credit taken and allowed for actual use must be added back as additional taxes due in the year of disposition, unless the property has been in qualified use for more than 12 years.