



Massachusetts Department of Revenue
Schedule FAF
Farming and Fisheries Credit

2024

Name as shown on Massachusetts tax return Social Security number(s)

Address (do not enter PO box) City/Town State Zip

Type of business. (Fill in one oval only. Complete a separate schedule for each type of business.)

Agricultural/farming Commercial fishing

If lessor or lessee, fill in applicable oval, skip Part 1 and complete Part 2. (If lessor, see instructions.)

Lessor Lessee

Description of property, or address if real property

Part 1. Calculation of current year Farming and Fisheries Credit

- 1** Amount of qualifying property acquired, constructed or erected during 2024 (see instructions) **1**
- 2** Farming and fisheries credit available for 2024. Multiply line 1 by 0.03 (3%). **Note:** Be sure to complete Part 3. **2**

Part 2. Calculation of current year Farming and Fisheries Credit for lessor or lessee

- 1** Adjusted basis of qualifying property acquired, constructed or erected during 2024 (see instructions) **1**
- 2** Multiply line 1 by 0.03 (3%). **2**
- 3** Number of days in the tax year during which the lessee leases the qualifying property. **3**
- 4** Number of days in the useful life of property **4**
- 5** Divide line 3 by line 4. Be sure to carry out division to six places **5**
- 6** Farming and fisheries credit available for 2024. Multiply line 2 by line 5. **Note:** Be sure to complete Part 3 **6**

Part 3. Computation of Farming and Fisheries Credit allowable on return

- 1** Total farming and fisheries credit available for this year. Add Part 1, line 2 and Part 2, line 6 **1**
- 2** Unused credit from prior years (from 2023 Schedule FAF, line 7, col. c; see instructions) **2**
- 3** Massachusetts farming and fisheries credit available this year. Add lines 1 and 2 **3**
- 4** Total tax from return (from Form 1, line 28; Form 1-NR/PY, line 32; or Form 2, line 41) less limited income credit, and/or credit for taxes due to other jurisdictions, and/or certain other credits, if any. Not less than 0 (see instructions) **4**
- 5** Massachusetts farming and fisheries credit allowable this year (smaller of lines 3 or 4). Enter here and on **Schedule CMS**. **Note:** You must enclose Schedule FAF with your return. Failure to do so will result in this credit being disallowed on your tax return and an adjustment to your reported tax **5**

Unused Massachusetts Farming and Fisheries Credit carryover

6 Complete only if Part 3, line 3 is more than Part 3, line 5, or if you have unused credits from prior years.

Year	a. Unused credits from prior years and current year credit	b. Portion used this year	c. Unused credit available Subtract col. b from col. a	
			Amount	For
2022	(2022 Sch. FAF, line 6, col. c) _____	_____	_____	2025
2023	(2023 Sch. FAF, line 6, col. c) _____	_____	_____	2025-2026
2024	(2024 Sch. FAF, Part 3, line 1) _____	_____	_____	2025-2027
7	Totals	_____	_____	

Schedule FAF Instructions

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.

What if my farming and fisheries credit is larger than my tax liability?

If your farming and fisheries credit is greater than the amount you owe in personal income tax for the year, the balance of unused credit may be carried over into the next tax year. You may carry over an unused portion of the original credit, as reduced from year to year, for up to three subsequent tax years.