

107TH CONGRESS
1ST SESSION

H. R. 893

To amend the Internal Revenue Code of 1986 to exclude from estate taxes the value of certain farmland the use of which is restricted in perpetuity to use as farmland.

IN THE HOUSE OF REPRESENTATIVES

MARCH 6, 2001

Mr. PITTS introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude from estate taxes the value of certain farmland the use of which is restricted in perpetuity to use as farmland.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Farmland Preservation
5 Act of 2001”.

1 **SEC. 2. EXCLUSION FROM GROSS ESTATE OF CERTAIN**
 2 **FARMLAND WHICH IS RESTRICTED IN PER-**
 3 **PETUITY TO USE AS FARMLAND.**

4 (a) IN GENERAL.—Part III of subchapter A of chap-
 5 ter 11 of the Internal Revenue Code of 1986 (relating to
 6 gross estate) is amended by inserting after section 2033
 7 the following new section:

8 **“SEC. 2033A. EXCLUSION OF CERTAIN FARMLAND WHICH IS**
 9 **RESTRICTED IN PERPETUITY TO USE AS**
 10 **FARMLAND.**

11 “(a) IN GENERAL.—In the case of an estate of a de-
 12 cedent to which this section applies, the value of the gross
 13 estate shall not include the adjusted value of qualified
 14 farmland included in the estate if there is in effect on the
 15 date of death a qualified farmland conservation easement.

16 “(b) ESTATES TO WHICH SECTION APPLIES.—This
 17 section shall apply to an estate if—

18 “(1) the decedent was (at the date of the dece-
 19 dent’s death) a citizen or resident of the United
 20 States, and

21 “(2) during the 8-year period ending on the
 22 date of the decedent’s death there have been periods
 23 aggregating 5 years or more during which—

24 “(A) the qualified farmland was owned by
 25 the decedent or a member of the decedent’s
 26 family, and

1 “(B) there was material participation
 2 (within the meaning of section 2032A(e)(6)) by
 3 the decedent or a member of the decedent’s
 4 family in the operation of such farmland.

5 “(c) DEFINITIONS.—For purposes of this section—

6 “(1) QUALIFIED FARMLAND.—The term ‘quali-
 7 fied farmland’ means any real property—

8 “(A) which is located in the United States,

9 “(B) which is used as a farm for farming
 10 purposes (within the meaning of section
 11 2032A(e)), and

12 “(C) which is located in a county which
 13 has a population of 100 or more persons per
 14 square mile.

15 “(2) QUALIFIED FARMLAND CONSERVATION
 16 EASEMENT.—The term ‘qualified farmland conserva-
 17 tion easement’ means a restriction (granted in per-
 18 petuity) which does not permit any use of the land
 19 for any purpose other than use as a farm for farm-
 20 ing purposes (within the meaning of section
 21 2032A(e)).

22 “(3) ADJUSTED VALUE.—The term ‘adjusted
 23 value’ means the value of farmland for purposes of
 24 this chapter (determined without regard to this sec-

1 tion), reduced by the amount deductible under para-
 2 graph (3) or (4) of section 2053(a).

3 “(d) VERIFICATION OF EASEMENT.—Subsection (a)
 4 shall not apply by reason of any qualified farmland con-
 5 servation easement unless the executor—

6 “(1) notifies (in such form and manner as the
 7 Secretary may by regulations prescribe) both the
 8 Secretary and the Secretary of Agriculture of the
 9 political subdivision of the State in which such ease-
 10 ment is recorded, and

11 “(2) submits to the Secretary a copy of such
 12 easement.”

13 (b) CLERICAL AMENDMENT.—The table of sections
 14 for part III of subchapter A of chapter 11 of such Code
 15 is amended by inserting after the item relating to section
 16 2033 the following new item:

“Sec. 2033A. Exclusion of certain farmland which is restricted in
 perpetuity to use as farmland.”

17 (c) EFFECTIVE DATE.—The amendments made by
 18 this section shall apply to restrictions first recorded after
 19 December 31, 2001, with respect to estates of decedents
 20 dying after such date.

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