



All claims MUST include the Beginning Farmer Tax Deduction Certification from the Missouri Agricultural and Small Business Development Authority (MASBDA).

Part I - Farmland Sold

Part I - Capital gains from the sale of farmland to a qualified beginning farmer

- 1. Enter your total capital gains from the qualifying sale of farmland
2. Enter the amount from Line 1 or \$2,000,000, whichever is less
3. If Line 1 is greater than \$2,000,000, subtract Line 2 from Line 1 and enter the amount or \$1,000,000, whichever is less.
4. Multiply Line 3 by 80%
5. If Line 1 is greater than \$3,000,000, subtract \$3,000,000 from Line 1. Enter the amount or \$1,000,000, whichever is less.
6. Multiply Line 5 by 60%
7. If Line 1 is greater than \$4,000,000, subtract \$4,000,000 from Line 1. Enter the amount or \$1,000,000, whichever is less.
8. Multiply Line 7 by 40%
9. If Line 1 is greater than \$5,000,000, subtract \$5,000,000 from Line 1. Enter the amount or \$1,000,000, whichever is less.
10. Multiply Line 9 by 20%
11. Enter the sum of Lines 2, 4, 6, 8, and 10. Enter the amount from Line 11 on Form MO-1040, Line 21A.

Part II - Farmland Rented or Leased

Part II - Capital gains from the rent or lease of farmland to a qualified beginning farmer

- 12. Enter your total capital gains from the qualifying rent or lease of farmland
13. Enter the smaller of Line 12 or \$25,000 here and on Form MO-1040, Line 21B

Part III - Farmland Crop-Shared

Part III - Capital gains from the crop-share of farmland to a qualified beginning farmer

- 14. Enter your total capital gains from the qualifying crop-share of farmland
15. Enter the smaller of Line 14 or \$25,000 here and on Form MO-1040, Line 21C

Instructions to Complete Form 5955

Complete this form if you are a farm owner whose federal adjusted gross income includes capital gains from the sale, rent, lease, or crop-share of farmland to a qualified beginning farmer and received a Beginning Farmer Tax Deduction Certification from the Missouri Agricultural and Small Business Development Authority (MASBDA).

This deduction only applies to certain farmland sales made, lease agreements, rental agreements, or crop-share arrangements entered into, on or after August 28, 2023. This deduction will only be allowed if the certification from MASBDA and a copy of the Federal Return along with supporting schedules are attached.

Part I Instructions – Farmland Sold

Complete Part I to calculate your deduction for capital gains included in your federal adjusted gross income due to the sale of farmland to a beginning farmer, after receiving certification from the MASBDA.

Line 1 – Enter the amount from the Federal Form 1040, Line 7 for farmland sold to a beginning farmer.

Note: Only include capital gains from the sale of farmland to a MASBDA certified beginning farmer. Do not include capital gains from other sources reported on Federal Form 1040, Line 7.

Lines 2 through 10 – Capital gains from the sale of farmland to a beginning farmer are limited based on the following amounts and percentages:

- the first \$2,000,000 of capital gains included in the federal adjusted gross income is 100% deductible;
- the next \$1,000,000 included is, 80% deductible;
- the next \$1,000,000 included is, 60% deductible;
- the next \$1,000,000 included is, 40% deductible; and
- the next \$1,000,000 included is, 20% deductible.

Line 11 – Enter the sum of Lines 2, 4, 6, 8 and 10 on Line 11. Enter the amount from Line 11 on Form MO-1040, Line 21A.

Part II Instructions – Farmland Rented or Leased

Complete Part II to calculate your deduction for capital gains included in your federal adjusted gross income, resulting from farmland rented or leased to a beginning farmer, after receiving certification from the MASBDA.

Line 12 – Enter the amount from the Federal Form 1040, Line 8 for farmland rented or leased to a beginning farmer.

Note: Only include capital gains from the rent or lease of farmland to a MASBDA certified beginning farmer. Do not include capital gains from other sources reported on Federal Form 1040, Line 8.

Line 13 – This deduction is limited to \$25,000. Enter the smaller of Line 12 or \$25,000 on Line 13 and on Form MO-1040, Line 21B.

Part III Instructions – Farmland Crop-Shared

Complete Part III to calculate your deduction for capital gains included in your federal adjusted gross income, resulting from a crop-share agreement of farmland with a beginning farmer, after receiving certification from the MASBDA.

Line 14 – Enter the amount from the Federal Form 1040, Line 8 from a crop-share agreement of farmland.

Note: Only include capital gains from the crop-share agreement of farmland to a MASBDA certified beginning farmer. Do not include capital gains from other sources reported on Federal Form 1040, Line 8.

Line 15 – This deduction is limited to \$25,000. Enter the smaller of Line 14 or \$25,000 on line 15 and on Form MO-1040, Line 21C.

Ever served on active duty in the United States Armed Forces?

If yes, visit dor.mo.gov/military/ to see the services and benefits we offer to all eligible military individuals. A list of all state agency resources and benefits can be found at veteranbenefits.mo.gov/state-benefits/.