



Tax Incentives and Grants for CT Farmers

Did you know: As a Connecticut farmer, you may be eligible for grants and tax incentives that can assist you with your finances? This may mean lower tax payments, tax refunds, or cash payments in the form of grants.

CT State Taxes

When you buy farm machinery, equipment, tools, building materials, you may be eligible for a refundable **20% property tax credit** if you:

- Purchase technology, equipment, building infrastructure, and other tools placed in service after January 1, 2026 (unclear based on current legislation whether placed in service in 2025 qualifies) for agricultural production
- Use the asset for at least 5 years in CT, and
- At least 2/3 of your gross income is from farming.

If your tax bill is less than the 20% credit, you may be eligible for a cash refund. (Public Act 25-152)

You may also be eligible for a **Farmer Tax Exemption Permit** that allows you to buy farm equipment, fuel, and other suppliers without having to pay sales and use tax (currently 6.35%).

Further, up to **\$250,000 of your farm equipment, machinery, tools, and horses** could be **exempt from property taxes** (which could range from 1.5% to 3.5% of your property's assessed value). To qualify, you must make at least \$15,000 of gross sales or prove at least \$15,000 in farm related expenses.

Your land may also qualify to be assessed at its **"use value"** which is generally lower than fair market or best value, which could mean a **lower property tax bill**.

Federal Taxes

You may be eligible for waiver for estimated tax underpayment penalty for late filing 2025 tax returns as long as you file and pay by April 15, 2026. [Notice 2026-24](#).

You may also qualify for **federal tax benefits** to reduce your federal tax bill:

- Tax credits for **fuel** used in farming
- 30% credit for **clean energy** and qualified storage projects
- Tax deduction for equipment in one year (IRC Section 179)
- Tax deduction for bonus depreciation (Public Law 115-97)
- Up to 20% tax deduction on farm profits (IRC Section 199A)
- For **these and other federal tax benefits**, please consult [2024 Publication 225](#)
- We are currently monitoring [The Farm, Food and National Security Act of 2026 \(HR 7657, not yet law\)](#), which may provide more tax incentives and benefits in 2026.

Our mission: TaxCoop – Network for Credits, Crops, and Climate Change

is dedicated to helping farmers access funding opportunities through tax incentives and grants. We place a strong focus on supporting farmers who practice environmentally friendly, sustainable, and conservation-oriented farming in Connecticut by connecting them directly with the resources they need to succeed.

For more information or if you have questions, please contact us at TaxCoopCT@gmail.com.

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Please see below for list of grants potentially available to Connecticut farmers:

Grant / Program	Description	Award Range	Application Period
Farmer Bridge Assistance Program	One time federal program providing \$11 billion to help row crop producers manage 2025 market disruptions and higher production costs until longer term farmer support phases in later in 2026.	Payment cap of \$155,000 per farmer/producer	Application deadline is April 17, 2026 but there may be some extensions depending on the applicant's situation. Please visit www.taxcoopusa.org for full list of eligible crops.
Value Added Producer Grants (VAPGs)	Value-Added Producer Grants (VAPGs) help agricultural producers generate new products, create or expand marketing opportunities, and increase producer income.	Award Range: Up to \$75,000 for planning and up to \$250,000 for working capital.	Applications are accepted for processing from February 17, 2026, through 1:00 p.m. Eastern Time (ET), April 22, 2026.
Farm Transition Grant (FTG)	Grants for new farmers, investments in farming infrastructure, innovation, and/or research and development	Up to \$49,999	For 2027 grants, please visit www.taxcoopusa.org for updates on application deadlines.
CT Grown for CT Kids	Grant for administering or assisting in the development of a farm to school program	Up to \$5,000	For 2027 grants, please visit www.taxcoopusa.org for updates on application deadlines.
Organic Certification Cost-Share	USDA organic certification costs	Up to \$750	CT Dept. of Agriculture is awaiting further instruction from USDA.
Climate Smart Agriculture & Forestry (NCTFA)	Microgrants of up to \$900 to Connecticut farms to fund climate smart agricultural or forestry practices.	Up to \$900	Please visit www.taxcoopusa.org for link to apply.
Northeast SARE Farmer Grant	Grants to explore new concepts in sustainable agriculture	Up to \$15,000	For 2027 grants, please visit www.taxcoopusa.org for updates on application deadlines.
AFT Regenerative Livestock Farming Grant	Fund adoption of regenerative agriculture practices to support field-based conservation practice projects that improve soil health, water quality, and pollinator habitat	Up to \$10,000	Applications for the 2026 grant cycle is now closed. For 2027 grants, please visit www.taxcoopusa.org for updates on application deadlines.
Agricultural Management Assistance (AMA) Program, Conservation Stewardship Program (CSP), and Environmental Quality Incentive Program (EQIP)	Grants for conservation oriented farming practices	Various	Please note that these programs are impacted by the current government shut down. For 2027 grants, please visit www.taxcoopusa.org for updates.
Connecticut Crop Loss Grants	Federal funding designed to help small and midsized farmers recover from weather-related crop losses	Connecticut was awarded \$53m from the Farm Recovery and Support Block grant program	For 2027 grants, please visit www.taxcoopusa.org for updates on application deadlines.
Land Access Grant under Public Act 25-141	Land access grant to improve farmers' access to land	Various	Effective July 1, 2027
Agricultural Conservation Easement Program	Compensation for committing to maintaining farmland (you may get paid for giving up development rights). Protects working farmland from being developed; restore and protect wetlands	Up to 50% of fair market value of the development rights; up to 75% if land is especially important (e.g. grasslands)	Please note that these programs are impacted by the current government shut down. Please check in frequently for updates.
Conservation Reserve & Wetland Programs (CRP, CREP, WRP)	Compensation for retiring land from agricultural production, providing numerous environmental benefits; restoration of wetlands	Average annual rent of \$100-\$300 per acre in CT; up to 50% of costs shared; grants may cover up to 100% of wetland observation costs	Please note that these programs are impacted by the current government shut down. Please check in frequently for updates.

For links to forms for tax incentives and grants listed here, please visit us at www.taxcoopusa.org.

Please see below for links to websites providing detailed information on the tax incentives and grants listed:

Tax Incentives	Website and Resources
Public Act 25-152 (20% Tax Credit)	https://www.cga.ct.gov/2025/act/pa/pdf/2025PA-00152-R00SB-01497-PA.pdf
Farmer Tax Exemption Permit	https://portal.ct.gov/doag/commissioner/commissioner/sales-tax-exemption-for-farmers
Farmer Tax Exemption Permit Application - Form Reg 8	Click on link to Form Reg 8 on this website: https://portal.ct.gov/doag/commissioner/commissioner/sales-tax-exemption-for-farmers
Property Tax Exemption for up to \$100,000 on Farm Equipment and Machinery	https://portal.ct.gov/doag/commissioner/commissioner/agricultural-property-tax-exemptions-and-abatements
Property Taxes Based on Use Value	https://portal.ct.gov/doag/commissioner/commissioner/public-act-490---the-basics
Notice 2026-24 Relief from Addition to Tax for Underpayment of Estimated Income Tax by Individual Farmers and Fishermen	https://www.irs.gov/pub/irs-drop/n-26-24.pdf
The Farm, Food and National Security Act of 2026 (HR 7657, not yet law)	https://www.congress.gov/bil/119th-congress/house-bil/7567
Farmer's Tax Guide - Federal Tax Benefits For Farmers	https://www.irs.gov/publications/p225

Grant / Program	Website and Resources
Farm Bridge Assistance Program	https://www.fsa.usda.gov/resources/income-support/farmer-bridge-assistance-fba-program
Value Added Producer Grants	https://www.rd.usda.gov/media/file/download/usda-rd-rbcs-fs-vapg-10022024.pdf
Farm Transition Grant (FTG)	https://portal.ct.gov/doag/adarc/adarc/grants/farm-transition-grant
CT Grown for CT Kids	https://portal.ct.gov/doag/adarc/adarc/grants/ct-grown-for-ct-kids-grant
Organic Certification Cost-Share	https://portal.ct.gov/doag/adarc/adarc/grants/organic-certification-cost-share-grant-program
Climate Smart Land Stewardship Grant Program	https://ctconservation.org/programs/climate-smart/
Northeast SARE Farmer Grant	https://northeast.sare.org/grants/get-a-grant/farmer-grant-program/
AFT Regenerative Livestock Farming Grant	https://farmland.org/new-england-regenerative-livestock-farming-grants
Agricultural Management Assistance (AMA) Program, Conservation Stewardship Program (CSP), and Environmental Quality Incentive Program (EQIP)	https://www.nrcs.usda.gov/news/nrcs-announces-conservation-funding-opportunities-for-fy-2025
Connecticut Crop Loss Grants	https://portal.ct.gov/doag/press-room/press-releases/2025/february/farm-recovery-and-support-grant-update https://ctmirror.org/2025/08/18/ct-usda-disaster-relief-funds/
Land Access Grant under Public Act 25-141	https://www.cga.ct.gov/2025/act/pa/pdf/2025PA-00141-R00HB-05064-PA.pdf
Agricultural Conservation Easement Program	https://www.nrcs.usda.gov/programs-initiatives/acep-agricultural-conservation-easement-program
Conservation Reserve & Wetland Programs (CRP, WRP)	https://www.rff.org/publications/issue-briefs/conservation-reserve-program-and-wetland-reserve-program-primary-land-retirement-programs-for-promoting-farmland-conservation/#:~:text=Agricultural%20policy%20programs%20to%20encourage%20conservation%20of%20the%20land%20retirement%20programs%20in%20the%20United%20States.