

Agriculture Workforce Housing Tax Credit

<p>Program Overview</p>	<p>The Agriculture Workforce Housing Tax Credit (AWHTC) Program is designed to give a state income tax credit to investors who incur costs to construct, install, acquire or rehabilitate agriculture workforce housing. The tax credit may be taken on 50 percent of the eligible costs actually paid or incurred to complete a farmworker housing project. The total of estimated eligible costs for all approved projects for each calendar year is \$7.25 million. 100 percent of the credit may be transferred to a contributor of the project.</p>
<p>Eligibility Requirements</p>	<p>The credit is available to anyone who actually pays or incurs costs for the construction, rehabilitation or installation of farmworker housing. A nonprofit organization may also be eligible for this tax credit; although it does not pay taxes, it can “assign” the tax credit to an investor who invests money into the housing project.</p> <p>Agriculture Workforce means any person who, for an agreed remuneration or rate of pay, performs temporary or permanent labor for another in the:</p> <ul style="list-style-type: none"> a) Production of agricultural or aqua-cultural crops or products; b) Handling of agricultural or aqua-cultural crops or products in an unprocessed stage; c) Processing of agricultural or aqua-cultural crops or products; d) Planting, cultivating or harvesting of seasonal agricultural crops; or e) Forestation or reforestation of lands, including but not limited to the planting, transplanting, tubing, pre-commercial thinning and thinning of trees and seedlings, the clearing, piling and disposal of brush and slash and other related activities. <p>Occupants can work part of the year as agriculture workforce and have other non-farm work jobs part of the year. As long as one family member in the housing unit has been a farmworker either seasonally or year-round while living there, the housing unit will qualify. Immediate family members can have non-farm work jobs some or all of the year and the housing unit will still qualify.</p> <p>Excluded from the definition of the agriculture workforce are owners or operators of the farm (individual farm owners, corporate shareholders and partners) and their relatives. Also excluded from eligibility is agriculture workforce housing which is occupied by the owner or operator of the housing or relatives of the owner or operator. The housing cannot be rented to non-agricultural workforce even during the off-season. While the housing can be vacant for part of the year and still qualify for the credit, the housing cannot be occupied for any part of the year by anyone other than the agriculture workforce and their immediate families.</p>
<p>Eligible Costs</p>	<p>Eligible costs may include:</p> <ul style="list-style-type: none"> • Capital expenditures for rehabilitation of existing housing are eligible; routine maintenance expenses are not. Reserves are also not eligible costs. • Operation Reserves, Lease-Up or other reserves are excluded from eligible costs. • The cost of buying land does not qualify. • The purchase and installation of new manufacturing housing qualifies. • In a multi-unit dwelling, not all units need to be agriculture workforce housing, provided that the tax credit is apportioned according to the percentage of units that are agriculture workforce housing and provide that a fixed group of units is so identified.
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For more information:

With more and better tax credits now available, interested developers can now take advantage of these tax benefits. Potential developers and/or investors need to apply prior to completion of construction.

For application materials, or learn more about developing agriculture workforce affordable housing in your area, contact Martin Jarvis, Program Analyst, 503-986-6731.