

Instructions for REV-1197 Schedule AU

Agricultural Use Exemptions

REV-1197 (02-15)

GENERAL INFORMATION

PURPOSE OF SCHEDULE

Use REV-1197 Schedule AU to claim an exemption from inheritance tax for real estate pursuant to either the "business of agriculture" exemption or the "farmland-other" exemption.

FORM INSTRUCTIONS

Estate of

Enter the complete name of the estate as shown on REV-1500, Pennsylvania Inheritance Tax Return.

File Number

Enter the file number of the estate assigned by the Register of Wills as shown on REV-1500, Pennsylvania Inheritance Tax Return.

GENERAL INSTRUCTIONS

 **IMPORTANT:** This schedule is appropriate only for estates of decedents dying on or after July 1, 2012.

 **IMPORTANT:** Submit one Schedule AU for each parcel of real estate for which you are claiming an exemption.

Exemptions

Check the box next to the exemption being claimed. Select only one exemption. Descriptions of the exemptions can be found in the department's informational notice released September 2012.

Attach a written statement explaining in detail how the real estate qualifies for the claimed exemption. In addition, if you are claiming an exemption for any structure affixed to the real estate, identify the structure and explain in detail how each structure qualifies for the claimed exemption. Structures affixed to the real estate that do not qualify for an exemption must be valued and reported on REV-1502, Schedule A. Failure to provide this information may result in a denial of the claimed exemption or a delay in processing your return.

 **NOTE:** In addition to the information requested on Schedule AU, you must submit a copy of the deed, a statement of the real estate's fair market value and any appraisal for verification purposes, or an appraisal of the fair market value of the residential property, farm outbuilding, and agricultural use property.

Part 1: Property Information

Property Parcel Identification Number: Identify the parcel of real estate for which the exemption is being

claimed and provide the requested identifying information.

Percentage of Parcel Exempted: Report the percentage of the parcel which the decedent owned and for which the exemption is being claimed.

Date of Death value under 72 P.S. § 9121: Provide the date of death fair market value of the real estate.

Physical Location: Provide the street address, city and county in which the parcel of real estate is located.

 **IMPORTANT:** If the real estate is disqualified from the business of agriculture exemption at any point during the seven year certification period, the recapture tax due is based on the fair market value of the real estate, not the preferred agricultural use value.

Part 2: Owner(s)'s Information

Provide the name, mailing address and relationship to the decedent of all qualified transferees of the real estate listed in Part 1. The mailing address will be used by the department to send an annual certification form to verify compliance with the requirements of the business of agriculture exemption.

 **CAUTION:** Farm machinery and equipment owned by the decedent are NOT exempt when claiming either exemption and must be reported on REV-1508, Schedule E.