



Newsletter From Rep. Kendon Underwood

District 16

April 25, 2025

2025 Agriculture Legislation

During the 2025 Regular Session, the Arkansas House of Representatives approved a set of laws designed to strengthen the state's leading industry—agriculture—through tax relief, land protections, food-security measures, and streamlined regulation.

Act 696 expands the income-tax exemption for payments received from the U.S. Department of Agriculture by adding programs created under the American Relief Act of 2025. By excluding these additional payments from taxable income, the law leaves more operating capital with producers and agribusinesses facing economic or weather-related setbacks. Act 923 requires an owner of a commercial renewable-energy facility to sign an agricultural-impact remediation agreement with the landowner before building on farmland.

Act 942, known as the Good Neighbor Act, addresses food insecurity by extending civil-liability protection to donors, including farmers, who give food to nonprofit distributors or food banks. Act 585 removes veterinary inspection certificates and the personal information tied to electronic animal-identification tags in the custody of the Department of Agriculture from disclosure under the Freedom of Information Act, providing producers with greater data privacy. Act 621 directs the Department of Finance and Administration to issue a Farmer Sales Tax Identification Card. Retailers can rely on the card to verify eligibility for nontaxable sales of seed, fertilizer, equipment, and other farm inputs, reducing paperwork for both merchants and producers.

Act 125 permits the sale of unpasteurized milk at farmers' markets or through direct delivery from the farm where it was produced, under defined safety requirements. Act 18 establishes standards for veterinarians to use telemedicine in urgent or emergency situations, expanding access to timely animal care in rural areas. Act 811 restricts a prohibited foreign-party-controlled business from leasing agricultural land in Arkansas and prohibits those tied to countries of concern from holding interests in real property or farmland near critical infrastructure.

2025 AGRICULTURE LEGISLATION

ACT 696 EXPANDS THE INCOME TAX EXEMPTION FOR CERTAIN PAYMENTS FROM USDA.	ACT 811 RESTRICTS PROHIBITED FOREIGN-PARTY CONTROLLED BUSINESSES FROM LEASING LAND IN ARKANSAS.	ACT 942 CREATES THE GOOD NEIGHBOR ACT.
ACT 621 CREATES A FARMER SALES TAX IDENTIFICATION CARD.	ACT 125 ALLOWS FOR THE SALE OF UNPASTEURIZED MILK AT FARMERS' MARKETS OR THROUGH DIRECT DELIVERY FROM THE FARM.	