

May 19, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
Washington, DC 20515

The Honorable Steve Scalise
Majority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Emmer
Majority Whip
U.S. House of Representatives
Washington, DC 20515

The Honorable Jason Smith
Chairman, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Johnson, Majority Leader Scalise, Majority Whip Emmer, and Chairman Smith:

As representatives of the U.S. agriculture industry, we write to thank the Members of the House Committee on Ways and Means—particularly Chairman Smith—for their efforts to advance tax provisions that address the needs of farmers, ranchers, and small businesses. We are encouraged by elements of the package that will provide meaningful support to the agriculture sector. As the reconciliation process moves forward, we urge the House of Representatives to move swiftly to prioritize measures that strengthen rural communities and promote economic stability across American agriculture without delay.

The tax package includes multiple provisions that will greatly benefit farmers, ranchers, landowners, and other agricultural businesses across the United States.

Estate Tax Relief: The estate tax is overly burdensome on families trying to pass their farm, ranch, or business to the next generation. While our ultimate goal is full repeal of the estate tax, the increased exemption level of \$15 million per individual, indexed for inflation, and made permanent, is a welcomed step forward in alleviating the tax burden on operations that are often forced to sell off part of their family farm in order to pay the estate tax bill. We also greatly appreciate the preservation of the stepped-up basis to prevent an unnecessary capital gains tax on estates.

Increasing and Ensuring Permanency for 199A Qualified Business Income Deduction: The Section 199A Qualified Business Income Deduction helps agricultural producers compete on a level playing field with larger corporations by allowing them to keep a portion of their income. We are very happy to see the qualified business income deduction raised to 23% and made permanent in the bill. These provisions will help family farms, ranches, farmer cooperatives, and other agribusinesses thrive for years to come.

Making the Lower Individual Tax Rates and Expanded Tax Brackets Permanent: The reduced rates and broader brackets introduced by the Tax Cuts and Jobs Act are essential for farmers and ranchers, enabling them to keep more of their earnings to reinvest in their businesses and manage increasing production costs. We greatly appreciate the tax package making these rates permanent and increasing the standard deduction.

Increasing Section 179 Expensing: Increasing the Section 179 limitation from \$1 million to \$2.5 million will be helpful to producers making capital investments. This is especially important for the agriculture industry where investments in equipment and technology can be substantial. This provision encourages investment, enhances productivity, and promotes innovation in agriculture.

Restoring 100% Bonus Depreciation: Restoring 100% bonus depreciation for five years will significantly benefit the agriculture industry by enabling essential investments in equipment and infrastructure without the burden of delayed tax benefits. This provision not only stimulates growth but also enhances agriculture efficiency, allowing farmers to adopt the latest technologies and practices.

While this is not an exhaustive list, the Committee text includes provisions that will benefit a vast majority of farmers, ranchers, and agribusinesses across rural America and will help us strengthen the agriculture supply chain. We are grateful for your leadership and commitment to advancing policies that support the agricultural economy, and we look forward to continuing to work with Congress to ensure the final legislation provides meaningful benefits for rural communities.

Sincerely,

Agricultural and Food Transporters Conference
Agricultural Retailers Association
American Bakers Association
American Farm Bureau Federation
American Mushroom Institute
American Pulse Association
American Quarter Horse Association
American Sheep Industry Association
American Soybean Association
American Sugar Alliance
American Sugarbeet Growers Association
AmericanHort
Beef Alliance
Crop Insurance Professionals Association
Farm Credit Council
Forest Landowners Association
International Fresh Produce Association
Livestock Marketing Association
National Association of Wheat Growers
National Barley Growers Association
National Cattlemen's Beef Association
National Corn Growers Association
National Council of Farmer Cooperatives

National Grange
National Milk Producers Federation
National Peach Council
National Pork Producers Council
National Potato Council
National Sorghum Producers
National Sunflower Association
National Turkey Federation
Northwest Bean Growers Association
Public Lands Council
South East Dairy Farmers Association
Southwest Council of Agribusiness
U.S. Apple Association
U.S. Beet Sugar Association
U.S. Canola Association
U.S. Sweet Potato Council
U.S. Pea & Lentil Trade Association
U.S. Rice Producers Association
USA Dry Pea & Lentil Council
Western Growers Association
Western Peanut Growers Association
Western United Dairies