

July 8, 2021

The Honorable Colin Allred
United States House of Representatives
114 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Allred:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

- **Stepped-Up Basis:** Assets in agriculture are typically held by one owner for several decades, so resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation.
- **Like-Kind Exchanges:** This provision allows businesses to buy and sell like assets without tax consequences, thus helping farmers and ranchers, who are typically "land rich and cash poor," maintain cash flow and reinvest in their businesses.
- **Sec. 199A Business Income Deduction:** To maintain a reasonable level of taxation for pass-through businesses, like farms and ranches, it is critical to preserve Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it.

With more than 40% of farmland expected to transition in the next two decades, Congress must prioritize policies that support a vibrant transition to the next generation of farmers and ranchers. Preserving agricultural production nationally starts here in our own backyard. Over the past 20 years farmland value in our state has increased by over 244 percent, and in the last decade we've lost 1,373,300 acres of agricultural land. As the stewards of 127,000,000 acres of farm, pastureland and forestland, Texas's producers play an important role in terms of natural resource and land conservation.

Agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. As Congress works to enact a comprehensive infrastructure package, we urge you to consider Texas agriculture and the family-owned businesses that supply its inputs, transport its products, and market its commodities – and the next generation whose goal is to produce a safe and affordable food supply, while supporting state and local economies and conserving our state’s natural resources.

Thank you for your continued efforts in support of Texas agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues.

Sincerely,

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South Texans' Property Rights Association
Texas Seed Trade Association
Texas Wheat Producers Association
Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Jodey Arrington
United States House of Representatives
1107 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Arrington:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

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Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Brian Babin
United States House of Representatives
2236 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Babin:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Kevin Brady
United States House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Brady:

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July 8, 2021

The Honorable Michael C. Burgess
United States House of Representatives
2161 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Burgess:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable John R. Carter
United States House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Carter:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Joaquin Castro
United States House of Representatives
2241 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Castro:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Michael Cloud
United States House of Representatives
512 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Cloud:

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July 8, 2021

The Honorable Dan Crenshaw
United States House of Representatives
413 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

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Agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. As Congress works to enact a comprehensive infrastructure package, we urge you to consider Texas agriculture and the family-owned businesses that supply its inputs, transport its products, and market its commodities – and the next generation whose goal is to produce a safe and affordable food supply, while supporting state and local economies and conserving our state’s natural resources.

Thank you for your continued efforts in support of Texas agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues.

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Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Henry Cuellar
United States House of Representatives
2372 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Cuellar:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

- **Stepped-Up Basis:** Assets in agriculture are typically held by one owner for several decades, so resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation.
- **Like-Kind Exchanges:** This provision allows businesses to buy and sell like assets without tax consequences, thus helping farmers and ranchers, who are typically "land rich and cash poor," maintain cash flow and reinvest in their businesses.
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July 8, 2021

The Honorable Lloyd Doggett
United States House of Representatives
2307 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Doggett:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

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July 8, 2021

The Honorable Veronica Escobar
United States House of Representatives
1505 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Escobar:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Pat Fallon
United States House of Representatives
1118 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Fallon:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Lizzie Pannill Fletcher
United States House of Representatives
119 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Fletcher:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Sylvia Garcia
United States House of Representatives
1620 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Garcia:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Louie Gohmert
United States House of Representatives
2269 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Gohmert:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Tony Gonzales
United States House of Representatives
1009 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Gonzales:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Vicente Gonzalez
United States House of Representatives
113 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Gonzalez:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

- **Stepped-Up Basis:** Assets in agriculture are typically held by one owner for several decades, so resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation.
- **Like-Kind Exchanges:** This provision allows businesses to buy and sell like assets without tax consequences, thus helping farmers and ranchers, who are typically "land rich and cash poor," maintain cash flow and reinvest in their businesses.
- **Sec. 199A Business Income Deduction:** To maintain a reasonable level of taxation for pass-through businesses, like farms and ranches, it is critical to preserve Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it.

With more than 40% of farmland expected to transition in the next two decades, Congress must prioritize policies that support a vibrant transition to the next generation of farmers and ranchers. Preserving agricultural production nationally starts here in our own backyard. Over the past 20 years farmland value in our state has increased by over 244 percent, and in the last decade we've lost 1,373,300 acres of agricultural land. As the stewards of 127,000,000 acres of farm, pastureland and forestland, Texas's producers play an important role in terms of natural resource and land conservation.

Agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. As Congress works to enact a comprehensive infrastructure package, we urge you to consider Texas agriculture and the family-owned businesses that supply its inputs, transport its products, and market its commodities – and the next generation whose goal is to produce a safe and affordable food supply, while supporting state and local economies and conserving our state’s natural resources.

Thank you for your continued efforts in support of Texas agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues.

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Texas Wheat Producers Association
Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Lance Gooden
United States House of Representatives
1722 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Gooden:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Kay Granger
United States House of Representatives
1026 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Granger:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Al Green
United States House of Representatives
2347 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Green:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Ronny Jackson
United States House of Representatives
118 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Jackson:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Sheila Jackson Lee
United States House of Representatives
2079 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Jackson Lee:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Eddie Bernice Johnson
United States House of Representatives
2306 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Johnson:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Michael McCaul
United States House of Representatives
2001 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative McCaul:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Troy Nehls
United States House of Representatives
1104 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Nehls:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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Agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. As Congress works to enact a comprehensive infrastructure package, we urge you to consider Texas agriculture and the family-owned businesses that supply its inputs, transport its products, and market its commodities – and the next generation whose goal is to produce a safe and affordable food supply, while supporting state and local economies and conserving our state’s natural resources.

Thank you for your continued efforts in support of Texas agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues.

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Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable August Pfluger
United States House of Representatives
1531 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Pfluger:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

- **Stepped-Up Basis:** Assets in agriculture are typically held by one owner for several decades, so resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation.
- **Like-Kind Exchanges:** This provision allows businesses to buy and sell like assets without tax consequences, thus helping farmers and ranchers, who are typically "land rich and cash poor," maintain cash flow and reinvest in their businesses.
- **Sec. 199A Business Income Deduction:** To maintain a reasonable level of taxation for pass-through businesses, like farms and ranches, it is critical to preserve Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it.

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July 8, 2021

The Honorable Chip Roy
United States House of Representatives
1005 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Roy:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

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July 8, 2021

The Honorable Pete Sessions
United States House of Representatives
2204 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Sessions:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Van Taylor
United States House of Representatives
1404 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Taylor:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Beth Van Duyne
United States House of Representatives
1337 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Van Duyne:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Marc Veasey
United States House of Representatives
2348 Rayburn House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Veasey:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Filemon Vela
United States House of Representatives
307 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Vela:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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July 8, 2021

The Honorable Randy Weber
United States House of Representatives
107 Cannon House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Weber:

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July 8, 2021

The Honorable Roger Williams
United States House of Representatives
1708 Longworth House Office Building
Washington, DC 20515

Re: Agricultural tax policy

Dear Representative Williams:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

Texas agricultural production, when considering all segments of the industry, contributes approximately \$215.53 billion to our state's economy and 1,842,680 jobs. To ensure that the 248,146 farms and ranches in our state can continue to be economic drivers in rural communities, it is essential to maintain tax provisions which safeguard the viability of family-owned agricultural businesses today, along with those that allow the next generation of producers—whether they are family members or new and beginning farmers—to take over operations.

For this reason, we believe the current estate tax exclusion limits must be maintained, and we remain opposed to any proposal to raise capital gains taxes or decrease agricultural producers' ability to effectively manage their federal tax burden. To that end, we respectfully request you preserve critical tax provisions like Stepped-Up Basis, Like-Kind Exchanges, and the Section 199A Business Income Deduction:

- **Stepped-Up Basis:** Assets in agriculture are typically held by one owner for several decades, so resetting the basis on the value of the land, buildings, and livestock on the date of the owner's death under a step-up in basis is important for surviving family members and business partners to ensure the future financial stability of the operation.
- **Like-Kind Exchanges:** This provision allows businesses to buy and sell like assets without tax consequences, thus helping farmers and ranchers, who are typically "land rich and cash poor," maintain cash flow and reinvest in their businesses.
- **Sec. 199A Business Income Deduction:** To maintain a reasonable level of taxation for pass-through businesses, like farms and ranches, it is critical to preserve Sec. 199A business income deduction. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it.

With more than 40% of farmland expected to transition in the next two decades, Congress must prioritize policies that support a vibrant transition to the next generation of farmers and ranchers. Preserving agricultural production nationally starts here in our own backyard. Over the past 20 years farmland value in our state has increased by over 244 percent, and in the last decade we've lost 1,373,300 acres of agricultural land. As the stewards of 127,000,000 acres of farm, pastureland and forestland, Texas's producers play an important role in terms of natural resource and land conservation.

Agricultural producers, carrying on the legacy of our predecessors and setting the next generation up for success is critically important. As Congress works to enact a comprehensive infrastructure package, we urge you to consider Texas agriculture and the family-owned businesses that supply its inputs, transport its products, and market its commodities – and the next generation whose goal is to produce a safe and affordable food supply, while supporting state and local economies and conserving our state’s natural resources.

Thank you for your continued efforts in support of Texas agriculture. As Congress works to enact a comprehensive infrastructure package, we appreciate your consideration of these important issues.

Sincerely,

Texas and Southwestern Cattle Raisers Association
Texas Farm Bureau
Texas Wildlife Association
Texas Cattle Feeders Association
Independent Cattlemen's Association of Texas
Texas Quarter Horse Association
Plains Cotton Growers, Inc.
Plains Cotton Cooperative Association
Texas Cotton Ginners' Association
Texas Cotton Association
Texas Corn Producers Association
Texas Soybean Association
Texas Vegetable Association
Texas Agricultural Cooperative Council
Texas Forestry Association
Texas Logging Council
Texas Forest Landowner Council
South Texans' Property Rights Association
Texas Seed Trade Association
Texas Wheat Producers Association
Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable John Cornyn
United States Senate
517 Hart Senate Office Building
Washington, DC 20510

Re: Agricultural tax policy

Dear Senator Cornyn:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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South Texans' Property Rights Association
Texas Seed Trade Association
Texas Wheat Producers Association
Texas Nursery & Landscape Association
Texas Land and Mineral Owners Association

July 8, 2021

The Honorable Ted Cruz
United States Senate
127A Russell Senate Office Building
Washington, DC 20510

Re: Agricultural tax policy

Dear Senator Cruz:

On behalf of Texas's farmers, ranchers, and family-owned agricultural operations, the undersigned organizations write to express our concerns with legislative proposals that would significantly alter tax provisions that are fundamental to the financial viability of family-owned agribusinesses. While we recognize the importance of improving our nation's infrastructure, the cost of such an investment should not come at the expense of our state's agricultural producers.

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