

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,

Texas and Southwestern Cattle Raisers Association  
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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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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**

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United States House of Representatives  
413 Cannon House Office Building  
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- **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.

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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.

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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.

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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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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 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.

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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.

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

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.

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 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.

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Texas Land and Mineral Owners Association

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.

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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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Texas Land and Mineral Owners Association

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:

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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- **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 Nursery & Landscape Association  
Texas Land and Mineral Owners Association

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.

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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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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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