

November 16, 2015

The Honorable Paul D. Ryan (R-WI)
Speaker
U.S. House of Representatives
U.S. Capitol H-232
Washington, DC 20510

The Honorable Nancy Pelosi (D-CA)
Minority Leader
U.S. House of Representatives
U.S. Capitol H-204
Washington, DC 20510

The Honorable Mitch McConnell (R-KY)
Senate Majority Leader
United States Senate
U.S. Capitol S-230
Washington, DC 20510

The Honorable Harry Reid (D-NV)
Senate Minority Leader
United States Senate
U.S. Capitol S-221
Washington, DC 20510

Dear Speaker Ryan, Minority Leader Pelosi, Senate Majority Leader McConnell, and Senate Minority Leader Reid:

On behalf of the farmers, ranchers, and agriculture industry of America we sincerely request that you act as soon as possible to address the numerous provisions of the tax code (i.e. tax extenders) that expired on December 31, 2014. We appreciate the attention and debate given to tax extenders throughout the year, but we are concerned that failing to act soon will cause even more uncertainty for the agriculture industry. We offer our support and common sense advice as to why it is important for Congress to renew certain areas of the expired tax code with specific focus on Section 179 small business expensing and bonus depreciation.

As you probably know, agriculture requires significant investments in machinery, equipment and other depreciable assets and because of this farmers and ranchers place great value on tax code provisions such as Section 179 small business expensing and bonus depreciation. Section 179 and bonus depreciation allow them to write off capital expenditures in the year that purchases are made rather than to depreciate them over time. The ability to immediately expense capital purchases also provides an incentive for farmers and ranchers to invest in their businesses and offers the benefit of reducing the record keeping burden associated with the depreciation.

Section 179 small business expensing provides agricultural producers with a way to maximize business purchases in years when they have positive cash flow. Under the expired law the maximum amount that a small business can immediately expense when purchasing business assets instead of depreciating them over time is \$25,000 adjusted for inflation. We strongly encourage you to restore the maximum amount of expensing under Section 179 to \$500,000 as it was previously set in 2014. Furthermore, we strongly encourage you to reinstate the expired 50 percent bonus depreciation for the purchase of new capital assets, including agricultural equipment and buildings. We are concerned that the failure to renew these expired provisions of the tax code will place additional burdens on farm and ranch families who are asset-rich and cash-poor and already face the uncertainties of weather, market prices and international competition.

As farm, ranch, and agricultural organizations representing small businesses, we encourage the U.S. House of Representatives to carefully consider the importance of including Section 179 small business expensing and bonus depreciation in a multi-year tax extenders package. Thank you for your consideration.

Sincerely,

Agricultural & Food Transporters Conference
American Farm Bureau Federation
American Mushroom Institute
American Sheep Industry Association
American Soybean Association
American Sugar Alliance
American Sugarbeet Growers Association
American Veterinary Medical Association
Farm Credit Council
Livestock Marketing Association
National All-Jersey
National Association of State Departments of Agriculture
National Association of Wheat Growers
National Cattlemen's Beef Association
National Corn Growers Association
National Cotton Council
National Council of Farmer Cooperatives
National Grain and Feed Association
National Milk Producers Federation
National Peach Council
National Pork Producers Council
National Potato Council
National Renderers Association
National Sorghum Producers
National Sunflower Association
National Turkey Federation
Panhandle Peanut Growers Association
Professional Rodeo Cowboys Association
Public Lands Council
Southwest Council of Agribusiness
United Egg Producers
United Fresh Produce Association
U.S. Apple Association
U.S. Canola Association
U.S. Dry Bean Council
U.S. Sweet Potato Council
USA Rice Federation
Western Growers Association
Western Peanut Growers Association

cc: Congressman Kevin Brady (R-TX), Chair, House Committee on Ways & Means
Congressman Sandy Levin (D-MI), Ranking Member, House Committee on Ways & Means
Senator Orrin Hatch (R-UT), Chair, Senate Committee on Finance
Senator Ron Wyden (D-OR), Ranking Member, Senate Committee on Finance