



AMERICAN FARM BUREAU FEDERATION*

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June 16, 2004

VIA FACSIMILE
(202) 225-8798

The Honorable William M. Thomas
U.S. House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515-0522

Dear Representative Thomas:

The American Farm Bureau Federation supports passage of H.R. 4520, the American Jobs Creation Act of 2004.

Enactment of the Jobs Act will stop escalating taxes that have been imposed by the European Union (EU) on agricultural imports from the United States. Further delay will ultimately result in a 17 percent tax, making the sale of many agricultural products to Europe very difficult.

The legislation also contains ethanol energy tax incentives that were originally in the energy bill. We hope that biodiesel tax incentives will be added as the bill moves through the conference. These incentives will not only expand the market for domestic agriculture products and reduce harmful emissions, but also will lessen our nation's reliance on imported oil.

Farm Bureau supports the tobacco buyout contained in the bill. The buyout will boost rural economies and aid growers wishing to exit this industry. Tobacco quotas have been cut in half since 1997, domestic consumption is declining and competition from imports is increasing.

The legislation also contains several tax provisions that will benefit farmers and ranchers, including the extension of enhanced section 179 small business expensing, a clarification that farm income averaging does not trigger the Alternative Minimum Tax, an extension of the replacement period for cattle sold because of natural disaster and changes to allow timber sales to be taxed as capital gains.

We encourage you to pass this important piece of legislation so that farmers and ranchers can use these tax incentives and before EU-imposed taxes cause additional damage to sales of American agricultural products.

Sincerely,

A handwritten signature in black ink, appearing to read 'Bob Stallman', with a horizontal line extending to the right.

Bob Stallman
President

cc: Bob Winters, Ways and Means Committee