



United States House Committee on

## **Ways & Means**

**CHAIRMAN JASON SMITH**

### **The Working Families Tax Cuts Makes Rural America Great Again**

#### **Immediate Tax Relief to Farmers, Ranchers, & Small Businesses in Rural America**

- **Permanent Death Tax Relief.**
  - *Prevents Death Tax from hitting over 2 million family-owned farms who would otherwise see their limitation cut in half. Further raises exemption level (\$15 million per individual, \$30 million for married couples) to ensure family-owned farms and ranches can be passed down to the next generation.*
- **Permanent Small Business Deduction.**
  - *98% of farms in the U.S. are pass-throughs. Prevents the Small Business Deduction from ever expiring and makes it permanent at 20%.*
- **Permanent 100% Immediate Expensing.**
  - *Ensures farmers can expense machinery today that secure tomorrow's harvests.*
- **Permanent Doubled Small Business Expensing.**
  - *Increases section 179 Small Business Expensing threshold to \$2.5M. Agricultural industry utilizes one-fifth of all Small Business Expensing deductions across the American economy.*
- **Immediate Expensing for NEW manufacturing/production structures in America.**
  - *Boosts cost recovery for new agricultural and farm production investments in Rural America.*
- **Renews Opportunity Zone (OZ) program to better target Rural America.**
  - *Provides new OZ incentive to drive \$100B of investments to rural and underserved areas.*

#### **Puts America's Heartland First**

- **Makes lower tax rates and brackets, doubled Guaranteed Standard Deduction, and Child Tax Credit from the 2017 Trump Tax Cuts permanent.**
  - *Making these provisions permanent stops the \$1,700 tax hike on American families.*
  - *Further increases the Standard Deduction and Child Tax Credit permanently.*
- **Protects Rural America's ability to help deliver fuels for America.**
  - *Ensures American farmers are not crowded out by Chinese used cooking oil and other foreign imports in liquid fuel production markets.*
- **Lowers the cost of borrowing for America's farmers.**
  - *Reduces the tax burden on interest income for loans secured by real property for agricultural production.*
- **Helps farmland stay in farming production.**
  - *Reduces the tax burden on America's agricultural land and keeps it in production for the next generation of farmers and producers.*
- **Raises the 1099-MISC threshold from \$600 to \$2,000.**
  - *Lowers the administrative burden for small farmers and ranchers employing temporary and seasonal workers or small on-farm contract jobs.*



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## The Working Families Tax Cuts *Makes Rural America Great Again*

### Extending Trump's Tax Cuts Makes Rural America Great Again After Neglect Under Joe Biden

- Following the enactment of the 2017 Trump Tax Cuts, small- and medium-sized family farms saw their **effective tax rates decrease by up to 6%**.
- Had the **rates and brackets** from the Trump Tax Cuts **expired**, farm households would have seen their **tax liabilities increase by nearly 12%**.
- If the 199A Small Business Deduction was allowed to expire, family farms utilizing the deduction would have seen their **tax bill increase by \$2,500**.

### The Working Families Tax Cuts Reduce Taxes on Farmers by Over \$10 Billion

