

## Mahoney Introduces Bill to Keep Farms in the Family

Bill Exempts Family Farms from the Estate Tax

(April 19th, 2007)

(Washington, DC) - Congressman John Salazar (CO-3) and Congressman Tim Mahoney (FL-16) introduced the Save the Family Farm and Ranch Act of 2007. The bill would defer payment of the estate tax on family farms as long as the land is used for agricultural or conservation purposes.

"As a farmer and a member of the House Agriculture Committee, I understand the bitter reality of the estate tax," said Congressman John Salazar (CO-3). "This bill will counter the estate tax by offering an incentive for farmers to keep the farm in the family, which in turn benefits our country by sustaining the land and the environment by reducing urban development.

Congressman Tim Mahoney said, "This bill will help keep farms in the family. Florida's agriculture is an economic engine for our economy. Deferring the estate tax on family farms will help increase domestic food production, protect America's farmland, and enhance our nation's security. This is a commonsense solution to the estate tax problem."

Tax law for the years 2006 through 2008 permits a \$2 million exemption on inherited estates. Assets over \$2 million are taxed at 45 percent. As a result, many family farmers who do not have the cash necessary to pay the estate tax have been forced to sell their land, which is often converted into commercial real estate.

The Save the Family Farm and Ranch Act of 2007 would apply to those who receive over 50 percent of their gross income from that farm or ranch operation. Using the IRS's definition of farmland, this bill will help those true farmers and ranchers, and not passive investors and "gentlemen farmers."

The Save the Family Farm and Ranch Act is an important step forward in increasing American farm production, lessening urban development in rural areas, and conserving our pristine environment.

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