

While most Congressional lawmakers spent the last few weeks focused exclusively on election day, farmers and ranchers aren't about to let them off the hook for this year's unfinished business, Nebraska Farm Bureau said last week. "When members of Congress return to Washington next week for a lame-duck session, Nebraska farmers and ranchers have a list of priorities they were urging action on long before the election, with taxes at the top of that list," Jordan Dux, Farm Bureau national affairs coordinator said.

"If Congress doesn't act, on Jan. 1, 2011, the top estate tax rate will go from zero this year to 55 percent, with only a \$1 million exemption," he said. "At today's farmland prices, \$1 million will only buy you just over 200 acres of irrigated crop ground in eastern Nebraska.

"This is only a fraction of the size of an average farm in Nebraska."

Farmers, ranchers and other small businesses get hit harder with estate because of the large capital investments required, such as land and equipment, to keep the business viable.

"If estate taxes are allowed to go back to 55 percent, some farmers, ranchers, and other business owners could be forced to sell land, buildings or equipment in order to pay the large tax bill," Dux explained.

Beginning in August, Nebraska Farm Bureau participated in the American Farm Bureau's "Put Death Taxes to Rest" campaign.

Farmers and ranchers from across the state signed and sent over 500 postcards to Nebraska's Congressional delegation calling for a 35 percent top rate and a \$5 million exemption, indexed for inflation, he said

Farmers and ranchers are also urging Congress to put the brakes on a capital gains rate increase.

At the beginning of 2011, the rate is scheduled to jump to 20 percent, from 15 percent, where farmers and ranchers want it to stay.

“Too often the money farmers and ranchers have put toward capital gains taxes is money they would have invested back into in their operations and communities,” Dux said.

Likewise, individual income tax rates are set to increase at the beginning of the year and farmers and ranchers could find themselves sending more money to the IRS.

Farmers, ranchers and other small business owners typically file returns as individuals, rather than corporations.

“The increase in personal income taxes won’t just affect farmers, ranchers and businesses,” he said.

“ Personal income tax rates will increase across the board if Congress does nothing during the lame duck session.” The lame duck session was expected to begin Nov. 15.