Delegates to Nebraska Farm Bureau Federation's 95th Annual meeting are urging Congress and the president to take action before year-end to pass a farm bill and extend a number of tax provisions that are vital to the future success of American agriculture.

The action came in the form of a special resolution adopted by the House of Delegates.

"Nebraska farm and ranch families are facing considerable uncertainty in both our nation's farm and tax policy," said Steve Nelson, Nebraska Farm Bureau president. "We need swift action in Washington to bring certainty in these areas."

The passage of an agricultural safety net via the 2012 farm bill is important to both Nebraska and American agriculture. The exceptional drought experienced across Nebraska and much of the country highlights the continued need for federal crop insurance, livestock disaster programs, as well as other important farm bill programs.

"With expiration of the 2008 Farm Bill having already occurred over a month ago, the lame-duck session of Congress provides the last opportunity to move forward with the farm bill yet this year," said Nelson.

Over 100 different tax provisions are set to expire at the end of 2012 including the current estate tax rate of 35 percent with an exemption of $5.1 million per person, a 15 percent capital gains tax rate, lower personal income tax rates, as well as numerous other tax credits and deductions such as equipment depreciation and the biodiesel tax credit.

If Congress fails to act before the beginning of January, estate tax rates rise to 55 percent with an exemption of only $1 million, capital gains taxes rise to 20 percent and all personal income tax rates rise between three and five percent.

A reduction in the estate tax exemption amount alone would dramatically affect the number of Nebraska farms and ranches that would be exposed to estate tax liability.

Research conducted by the American Farm Bureau Federation shows that lowering the estate tax exemption from $5 million to $1 million would grow the number of Nebraska farms and ranches that exceed the estate tax exemption from 1,628 farms and ranches to more than 15,000 farms and ranches.

"We're talking about a nine-fold increase in the number of farms and ranches that could face the implications of the death tax when you combine a reduction in the estate tax exemption with the recent appreciation in agricultural land values in recent years, said Nelson.

"Passing a farm bill and extending the 2012 federal tax provisions are critically important to our members as both greatly affect how our members make decisions related to their operations. The resolution adopted by our delegates sends a strong signal that now is the time for action on these issues," said Nelson.