

United States Congress

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2008 FARM BILL TAX PACKAGE AGREEMENT FARM TAX REFORMS, FARM TAX RELIEF

Farm bill negotiators expect to act Tuesday on a final package of farm tax reforms funding farm tax relief, as well as an offset package of agriculture and economic aid trade measures. Following is a list of the agreement's elements. The tax agreement is fully offset. Estimated savings and costs for overall tax reform, overall tax relief, and individual provisions will be made available, as will additional explanation of each provision.

Farm Tax Reforms

- Optional Self-Employment Tax for Social Security
- Reduce Ethanol Credit
- Limit Denaturant from Alcohol Fuels Credit
- Limitation on Farming Losses of Certain Taxpayers
- Extend Tariff on Imported Ethanol
- Information Reporting for Commodity Credit Corporation Transactions
- Duty Drawback on Certain Imported Ethanol

Farm Tax Relief and Incentives

Conservation:

- Self-Employment Tax Relief for Retired, Disabled Farmers Receiving Conservation Reserve Payments
- Permanent Deduction for Endangered Species Act Expenditures
- Extension of Conservation Easement Deduction
- Forest Conservation Bonds
- New Maximum Tax Rate for Qualified Timber Sales and Timber REIT Modernization

Agricultural Investments:

- Aggie Bond Improvements
- Like-Kind Exchanges for Stock in Ditch, Reservoirs and Irrigation Companies
- Agricultural Business Security Tax Credit
- Kansas Tornado Disaster Relief
- Equine Depreciation

Alternative and Renewable Fuels from Agriculture:

- Establish Cellulosic Biofuels Credit, with accompanying study

Negotiators are also finalizing a small package of agriculture and economic aid trade measures with corresponding offsets. Details will be made available shortly.