

June 10, 2014  
Full House

Dear:

Farm Bureau supports passage of H.R. 4457, to permanently set the IRC Section 179 small business expensing maximum limit at \$500,000.

In order to remain profitable and be competitive, farmers and ranchers must continually upgrade and replace equipment, buildings and storage facilities. By doing so, agricultural businesses are able to reduce maintenance costs, take advantage of labor-saving advances, become more energy-efficient and adopt technology that is environmentally friendly. Section 179 allows a taxpayer to deduct the cost of new or used business property rather than depreciating the cost over a longer period of time. The immediate expensing provided by Section 179 allows farmers and ranchers to cash flow purchases that might otherwise be delayed or that would require them to incur debt expense.

The Section 179 small business deduction is an expiring provision that was reduced on Jan. 1 from \$500,000 to \$25,000. Farm Bureau believes that Congress should end its practice of extending important business tax provisions for one or two years at a time. This practice makes it very difficult for farmers and ranchers to plan and adds immense confusion and complexity to the tax code. Long-standing tax provisions, like Section 179 small business expensing, should be made permanent at the 2013 level of \$500,000.

Farm Bureau asks that you show support for our nation's farmers and ranchers by voting in favor of H.R. 4457.

Sincerely,



Bob Stallman, President