

## TESTIMONY OF JOLENE RIESSEN PRESIDENT IOWA CORN GROWERS ASSOCIATION

BEFORE THE US HOUSE WAYS & MEANS | DES MOINES, IOWA | AUGUST 16, 2024

Thank you, Mr. Chairman. I appreciate very much the opportunity to appear before you today and want to commend you for holding this important hearing on the tax implications that impact family farms across Iowa and the rest of the United States.

My name is Jolene Riessen, and I am President of the Iowa Corn Growers Association that currently has over 7,000 members in Iowa. My organization takes its direction from the grassroots members and by allowing me to speak today you will be hearing their concerns through me and some of my own personal experiences from my farming operation located in Ida County, Iowa.

With corn prices currently so low, we as farmers are at a critical juncture where we're struggling to cover the cost of production, let alone have any funds left over to support our local communities. Tax policy is vital to keeping family farming operations in business, and at the end of the day, family farms are a business, and we must make a profit to survive.

The Iowa Corn Growers Association works in conjunction with the National Corn Growers Association located in Washington DC. Together, Iowa Corn and National Corn were supportive of your negotiated tax package H.R.7024 – “The Tax Relief for American Families and Workers Act” and we appreciate your work on these important tax matters like the bonus depreciation and Section 179 provisions.

How do we know this? Every year the Iowa Corn Growers Association conducts a member survey, and we just received the surveys back and over 90% of our members surveyed responded that tax policy is a top issue for us to be focused on because they help our farms continue to thrive.

As I grow older, retirement is on my mind, and with that comes the passing of our farm to the next generation of farmers and agriculturalists. However, like many farming families across the country, not just in Iowa, the idea that these tax provisions could be changed weighs on our decisions and minds as we make plans for our futures.

But here is what could help:

**The estate tax rate remaining at \$13.6 million per a person, bonus depreciation which allows us to modernize our equipment on the farm and stepped-up basis, which allows us to transfer ownership of farmland and equipment and reduce capital gains tax for our heirs in the event of our passing.**

If these tax provisions change, it will be catastrophic for us and so many others, who need their equipment and land to keep in operation. For example, on our farm, with the current estate tax rate at \$13.6 million our family will be able to successfully pass our farm ground and equipment onto the next generation of farmers, without placing the stress of a tax liability position on them.

However, if that current level is reduced back to \$6 million, in order to make ends meet, we would have to sell ALL of our equipment and 70 acres of land or 275 acres of ground in order to keep the equipment to stay in operation.

Why is this important? Currently 97% of farms are family owned in the United States and with the reduced estate tax, that number will drastically lower. With the sale of the ground, it will be a larger farmer buying it, not a beginning farmer or small farmer thus adding to the vertical integration that is already going on in the countryside. And when I think about our farm, if my boys have to sell the line of equipment, along with the land, they will face the implications of those taxes on the sale of those two assets as well. Then add to that the lending pool will be very small, and interest rates will be very high due to the riskiness of the loan. Finally add in the commodity prices we have today to service that debt, chances of staying in farming go out the door.

I know that is a lot to think about, but I want to leave you with this, the current tax provisions, are essential to preserving the legacy of family farms. Protecting these policies is key to ensuring we can successfully pass our farms on to the next generation, safeguarding our way of life for future generations. Because whether you live or work on a farm, you need farms – and I think we would all rather they be family-owned and operated than the latter.

Once again, thank you for allowing me this opportunity to provide this testimony today and look forward to answering any question you may have.