

Please see the attached amendment from Representative Tracey Mann (R-KS).

This amendment would establish a sense of the Committee that burdensome taxation places American farmers and ranchers at a competitive disadvantage in the global marketplace and asks that any changes to stepped-up basis must provide full exemptions for family farms and small businesses, including 8 essential protections which— (A) define an eligible family member to include any person to whom another member in the farming or business operation is related as a lineal ancestor, lineal descendent, sibling, spouse, or otherwise by marriage, niece, nephew, and first cousin; permit all common farming, agricultural, and business practices, including cash renting and leasing land to family members and non-family members; provide equal treatment for all heirs, regardless of their specific farming or other circumstances; and do not impose a deferred tax obligation on any eligible heirs.

**AMENDMENT TO COMMITTEE PRINT**  
**OFFERED BY MR. MANN OF KANSAS**

At the end of subtitle ~~A~~<sup>E</sup>, add the following:

**14002**  
1 **SEC. 10002. SENSE OF THE HOUSE COMMITTEE ON AGRI-**  
2 **CULTURE ON ANY EXEMPTION FROM**  
3 **CHANGES TO STEPPED-UP BASIS.**

4 It is the sense of the members of the Committee on  
5 Agriculture of the House of Representatives that—

6 (1) burdensome taxation places American farm-  
7 ers and ranchers at a competitive disadvantage in  
8 the global marketplace;

9 (2) United States crop land values have in-  
10 creased by 75 percent in the last 15 years;

11 (3) crop and pasture land ownership is an inte-  
12 gral part of profitability for many producers;

13 (4) certain tax changes enacted to pay for this  
14 package could have a devastating impact on our  
15 family farms and local economies;

16 (5) the repeal of stepped-up basis for capital  
17 gains and immediate taxation could especially hurt  
18 family farms, some of which have been in families  
19 for generations;

1           (6) the requirement to recognize capital gains  
2           at death runs the risk of forcing farms and ranches  
3           to sell part, or all, of a farm that may have been  
4           passed down for several generations in order to pay  
5           the tax burden;

6           (7) changes to stepped-up basis would force  
7           farmers to break up land that may have been in  
8           their family for decades and seriously impact their  
9           ability to remain economically viable;

10          (8) eliminating stepped-up basis without an ex-  
11          emption for our farmers presents administrative dif-  
12          ficulties, because farms, machinery, and some small  
13          businesses may be illiquid or difficult to value;

14          (9) farms, ranches, and some family businesses  
15          require strong protections from this tax change to  
16          ensure they are not forced to be liquidated or sold  
17          off for parts, and that need is even stronger for  
18          those farms that have been held for generations;

19          (10) many of our constituents started working  
20          on their family's farm when they were children, or  
21          built their farm with the intention of passing it on  
22          to their relatives, and we must ensure that their kids  
23          or grandkids are able to continue working that land  
24          for future generations;

1 (11) additional input from representatives of  
2 rural districts is imperative to ensure any potential  
3 changes to stepped-up basis for capital gains taxes  
4 are properly executed; and

5 (12) any changes to stepped-up basis must pro-  
6 vide full exemptions for family farms and small busi-  
7 nesses that are critical to our communities, including  
8 essential protections which—

9 (A) define an eligible family member to in-  
10 clude any person to whom another member in  
11 the farming or business operation is related as  
12 a lineal ancestor, lineal descendent, sibling,  
13 spouse, or otherwise by marriage, niece, neph-  
14 ew, and first cousin;

15 (B) permit all common farming, agricul-  
16 tural, and business practices, including cash  
17 renting and leasing land to family members and  
18 non-family members;

19 (C) provide equal treatment for all heirs,  
20 regardless of their specific farming or other cir-  
21 cumstances; and

22 (D) do not impose a deferred tax obliga-  
23 tion on any eligible heirs.

