



# Nevada Farm Bureau Federation

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September 7, 2021

U.S. Congressman Steven Horsford  
1330 Longworth House Office Building  
Washington, D.C. 20515

Dear Congressman Horsford:

While I am a constituent in your district, I also serve as President of the Nevada Farm Bureau and have a responsibility to write today on behalf of our farm and ranch families as well as the additional family-owned business owners who have serious concerns about the changes being considered in the area of federal tax policy.

As a member of the U.S. House Ways and Means Committee, you have a critical role to play in responding to our concerns. As you well know you also have a serious responsibility for representing the interest of your constituents who could face devastating tax consequences if you and your colleagues decide to move forward with tax changes to long-standing tax code provisions which are fundamental to the financial health of family-owned enterprises.

Farms and ranches, along with many other family-owned businesses are high asset, low cash flow type of business where, over time, assets accumulate as a result of conducting business. When the business transitions to the next generation, the low cash flow is insufficient to pay the taxes on the assets, so assets have to be sold off to meet the tax obligations – this situation is not acceptable.

We respectfully request that you do not alter or eliminate the essential provisions related to estate taxes, the step-up in basis and how capital gains taxes are dealt with at death of a business owner. We support H.R. 1712 the “Death Tax Repeat Act.” There are 146 cosponsors on this bill and we urge you to give it favorable consideration!

The policies that Congress enacts now will affect our farmers and ranchers in their future ability to carry on their business operations post-generational changes and transfers. The key to their longevity as family-owned enterprises is a continued ability to transition when a family member or business partner dies. **We firmly believe that the current federal tax code provisions must be maintained.**

We have learned of proposals to impose new capital gains taxes at death. This idea is totally unacceptable and effectively results in it being a transfer tax on the death of someone who was working to pass their operation on to future generations. This idea will devastate Nevada’s family-owned farms and ranches as well as any other family-owned business.

We do not find it acceptable to be promised “carve outs” or “exemptions” that we are supposed to believe will give family-owned farms and ranches a break or consideration. The ownership models for farms, ranches and other business enterprises are varied and complex. Combined with the current tax code’s fairly restrictive definitions for “family” -- any promised “exemption” is untenable.

We are ardently opposed to repealing the step-up in basis and to imposing any new capital gains taxes when there is a death in the family.

In a recent Op-Ed, written by former Ambassador and former U.S. Senator Max Baucus, he wrote of past actions taken by Congress to eliminate the step-up in basis. He indicated that in 1976 and again in 2010 Congress did pass legislation that eliminated the step-up in basis and both times it had to be reinstated because of the devastating effects on family-owned businesses.

Key to maintaining a reasonable level of taxation for pass-through businesses – like farms and ranches – we strongly urge that the continuation of Section 199A business income deduction be kept as it currently is. Eliminating or reducing this key business provision will result in a huge tax increase for farmers and ranchers at a time when they can ill afford it.

We will be paying very close attention to the developments which emerge over the coming weeks and how votes will be cast on each of the provisions that will become either helpful or harmful.

Thank you for your consideration of our concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bevan Lister".

Bevan Lister, President  
Nevada Farm Bureau Federation