



NEW YORK STATE SENATOR

Catharine Young

## Farmers Refundable Tax Credit Passes Senate

CATHARINE YOUNG June 21, 2007

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ALBANY - A bill State Senator Catharine Young (R,I,C - Olean) sponsored to allow farmers to receive an investment tax credit (ITC) as a fully refundable credit has passed the State Senate and referred to the Assembly for consideration.

The bipartisan measure S.2036, provides that excess investment tax credit amounts may be refundable to operators of a farm operation.

"Given the enormous economic impact that agriculture has on the economy of this State, we must do everything we can to ensure that our farm operations are strong," said Senator Young.

Currently, when farmers make long term investments in their operations they are eligible for the investment tax credit. However, unlike the agricultural school tax credit, the investment tax credit is not refundable and, thereby, of no benefit to farmers who have no taxable

income.

Senator Young said, "To remedy this and to assist our farmers with continuing to make investment in their agri-enterprises, this bill would allow farmers to receive the ITC as a fully refundable credit, similar to the school tax credit. By making this small change, our farmers would receive a valuable benefit that would enable them to continue to update, modernize and invest in their farms."

New York is home to some 38,000 farms encompassing roughly 7.8 million acres of cropland, pasture and woodlands. These farms produce nearly \$3.1 billion annually in direct economic output and probably double or triple that in indirect economic benefits with the farming and food industry employing over 425,000 people.