



NEW YORK STATE SENATOR

Patty Ritchie

SENATE OK'S RITCHIE BILLS TO CUT TAXES ON FARMERS

PATTY RITCHIE February 25, 2016

| ISSUE: **AGRICULTURE**



The State Senate Thursday voted to approve two key tax cut measures sponsored by Senator Patty Ritchie that would deliver millions of dollars in relief to farmers and help preserve the future of family farming in New York.

The measures are major components of the Senate's sweeping "Planting Seeds" agriculture initiative that was drafted by Senator Ritchie.

“From putting fresh food on our tables to generating billions of dollars for New York’s economy and supporting thousands of jobs, the hard work done by family farmers across the state is invaluable to our economy and our future,” said Senator Ritchie, who is chair of the Senate Agriculture Committee.

“If we want to continue to see the benefits of their hard work, we need to take steps to support them. These bills will help by cutting the cost of doing business, strengthening farmers' bottom, lines and helping to keep family farms in business, from generation to generation.”

The first bill, S.6706, would dramatically reduce New York’s Estate Tax on family farms. Senator Ritchie fought for—and won—a reduction in the Estate Tax two years ago, but that reduction won’t be fully effective until 2019. This bill accelerates and increase the savings to farmers, making it easier to keep farms in the family and transition farm businesses to the next generation.

That’s more important than ever, as the average age of farmers continues to creep higher, and high taxes make it more difficult to keep farm businesses in the family. The average age of farmers is 57. New York is one of only 15 states with an Estate Tax on family farms.

The measure is strongly supported by the New York Farm Bureau, which said the bill will help ensure that family farms "will continue to produce food for years to come."

“Close to 99 percent of farms in New York State are family owned, which means that not only are these producers passing their farms on to new producers, many times that new producer is a family member,” the group stated in a memo of support for the legislation.

The second bill, S.6707, would lower income taxes for small- and mid-sized farmers, making the first 20 percent of their income tax-free. Family farms, partnerships and LLCs with

income up to \$350,000 a year would be eligible for the tax break.

Both measures, were included in the “Planting Seeds” initiative, drafted by Senator Ritchie. That plan also includes new and restored funding for 40 agriculture programs that were cut in the Governor’s proposed budget.