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"Connecting Cows, Cooperatives, Capitol Hill, and Consumers"

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House Votes to Permanently Extend Favorable Tax Treatment of Farmers' Capital Purchases

ARLINGTON, VA – The National Milk Producers Federation thanked the House of Representatives for passing legislation today, by a vote of 272-142, to permanently extend the ability of family farmers and small businesses to write off capital purchases immediately, instead of over time. The bill now faces an uncertain future in the Senate, and a possible veto at the White House.

A permanent extension of Section 179 is one of NMPF's legislative priorities for 2015. The tax provision is widely used by farmers to buy tractors, farm implements, and other equipment. Last December, President Obama signed legislation extending the Section 179 tax credit, along with more than 50 other expired tax provisions, but for 2014 only. That action meant farmers could benefit from the expensing allowance only on the tax forms they are filling out for 2014.

"Dairy farming requires significant investments in machinery and equipment," said NMPF President & CEO Jim Mulhern. "By allowing producers to immediately write off these purchases, Section 179 gives producers an incentive to invest in their businesses while it reduced their record-keeping burden. This permanent extension provides much greater financial certainty in a year when dairy farmers will see much lower income levels."

The maximum amount of annual expensing under the newly-passed House bill, H.R. 636, is \$500,000, as it is for 2014. A 50 percent bonus depreciation for the purchase of new capital assets, including farm equipment, is included.

"Failure to permanently restore Section 179 will add to the financial strains on family farmers who already find it difficult to pass on their farms to the next generation," Mulhern said.

NMPF, the voice of 32,000 dairy farmers in Washington, joined 33 other agricultural organizations [in a letter sent Monday](#) urging the House to approve H.R. 636.

The National Milk Producers Federation, based in Arlington, VA, develops and carries out policies that advance the well-being of dairy producers and the cooperatives they own. The members of NMPF's cooperatives produce the majority of the U.S. milk supply, making NMPF the voice of more than 32,000 dairy producers on Capitol Hill and with government agencies. Visit www.nmpf.org for more information.