



News Release

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“Connecting Cows, Cooperatives, Capitol Hill, and Consumers”

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NMPF Joins 41 Other Ag Groups in Urging Restoration of Section 179 Tax Provision Allowing Immediate Write-Off of Equipment Purchases on Farms

ARLINGTON, VA – The National Milk Producers Federation today joined 41 other agricultural organizations in urging Congress to restore a tax code provision that allows small businesses, including farms, to write off capital purchases such as equipment immediately, instead of over time.

The provision, known as Section 179, is one of more than 50 expired tax policies the House and Senate are likely to consider for reinstatement during their post-election lame duck session. The farm groups urged restoration of Section 179 in a November 18 [letter to congressional leadership](#).

“Farming requires significant investments in machinery and equipment,” said NMPF President and CEO Jim Mulhern. “By allowing farmers to immediately write off these purchases on their taxes, Section 179 gives producers an incentive to invest in their businesses while it reduced their record-keeping burden.”

Mulhern said restoring Section 179 will encourage farmers to purchase machinery and equipment in years when they have a positive cash flow. “On the other hand,” he said, “failure to restore Section 179 will add to the financial strains on asset-rich, cash-poor family farmers who already find it difficult to pass on their farms to the next generation.”

Section 179 allows farmers to write off capital expenditures in the year that purchases are made. The farm groups asked that the maximum amount of annual expensing be restored to \$500,000, as it was in 2013. In addition, they asked Congress to reinstate the 50 percent bonus depreciation for the purchase of new capital assets, including farm equipment.

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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. For more on NMPF’s activities, visit our website at www.nmpf.org.