



January 18, 2017

Nebraska Corn Growers Association - Testimony LB 48
Revenue Committee of the Nebraska Legislature

Mr. Chairman and Members of the Revenue Committee:

Nebraska Corn Growers Association (NeCGA) members cannot support LB 48.

NeCGA members have been concerned about land tenure and the impact on opportunities for the next generation of farmers. Income tax considerations are a major contributing factor to agricultural land ownership until death. The stepped up basis and little or no income tax due upon a sale will often encourage farmland heirs to sell the inherited farmland.

NeCGA members are thus concerned the effect of LB 48 would have in discouraging the sale of inherited farmland, just as income tax consequences most likely caused the decedent to retain ownership until death.

Federal tax reform does seem to be a priority of the new administration and Congress. NeCGA members suggest the prudent course of action is to wait until federal tax reform is actually accomplished rather than anticipating the reforms. Additionally, tax professionals suggest some tax reform proposals may allow stepped up basis for estates with gross value below a certain threshold.

For the reasons discussed previously, NeCGA members request that the Committee not advance LB 48.