

U.S. House of Representatives  
Committee on Agriculture  
Washington, DC 20515

June 2, 2021

The Honorable Joseph R. Biden, Jr.  
President  
1600 Pennsylvania Ave NW  
Washington, DC 20501

Dear President Biden,

As Chairman of the House Agriculture Committee, I applaud the historic investments you propose in the American Jobs Plan and American Family Plan, which are critical as we continue to recover from the COVID-19 pandemic. However, I have serious concerns about proposed changes in tax provisions that could hurt our family farmers, ranchers and small businesses.

I am very concerned that proposals to pay for these investments could partially come on the backs of our food, fiber, and fuel producers. In particular, "step-up in basis" is a critical tool enabling family farming operations to continue from generation to generation. The potential for capital gains to be imposed on heirs at death of the landowner would impose a significant financial burden on these operations. Additionally, my understanding of the exemptions is that they would just delay the tax liability for those continuing the farming operation until time of sale, which could result in further consolidation in farmland ownership. This would make it more difficult for young, beginning, and socially disadvantaged farmers to get into farming.

While I appreciate that the proposal provides for some exemptions, the provisions could still result in significant tax burdens on many family farming operations. I look forward to working with you as negotiations continue. We must ensure that we protect our family farmers, ranchers and small businesses that keep our rural communities alive.

Sincerely,



David Scott  
Chairman

Cc: The Honorable Glenn Thompson, Ranking Member, House Agriculture Committee  
The Honorable Tom Vilsack, Secretary, U.S. Department of Agriculture  
The Honorable Gary Black, Commissioner, Georgia Department of Agriculture  
Ag Tax Coalition  
Mr. Zippy Duvall, President, American Farm Bureau Federation  
Mr. Tom McCall, President, Georgia Farm Bureau