



TAXES – EXPIRING TAX PROVISIONS

Background:

January 2017 brought with it the expiration of many tax provisions important to farmers and ranchers. Congressional action is needed to reinstate these policies that improve the economic viability and stability of food, fiber and fuel production.

Issues:

Bonus Depreciation

- The additional 50 percent bonus depreciation for the purchase of new capital assets, including agricultural equipment continues through 2017. The amount is 40 percent for 2018 and 30 percent for 2019, and then it expires for 2020.

Health Insurance Tax (HIT)

- The one-year moratorium of the HIT Tax on health insurance premiums of farmers, ranchers and other small businesses expires at the end of 2017.

Cellulosic Biofuel Producer Tax Credit

- The \$1.01 per gallon income tax credit for cellulosic biofuel expired at the end of 2016.

Biodiesel

- The \$1.00 per gallon biodiesel and renewable diesel tax credits for biodiesel and blending biodiesel expired at the end of 2016.
- The 10 cents per gallon Small Agri-Biodiesel Producer Credit expired at the end of 2016.
- The \$1.00 per gallon biodiesel excise tax credit that can be taken against fuel taxes expired at the end of 2016.

Alternative Fuel Vehicle Refueling Property

- The 30 percent investment tax credit for installing alternative vehicle refueling property expired at the end of 2016.

Renewable Energy

- The 2.3 cents per kilowatt hour Production Tax Credit for energy from closed-loop biomass and the 1.2 cent credit per kilowatt hour for closed-loop biomass expired at the end of 2016.
- The option of taking an investment tax credit in lieu of Production Tax Credit is 24 percent for 2017, 18 percent for 2018, 12 percent for 2019 and expires in 2020.

- The investment tax credit for installation costs of facilities that produce electricity from wind is 24 percent for 2017, 18 percent for 2018, 12 percent for 2019 and expires in 2020.
- The Distributed Wind Investment Tax Credit for electricity production facilities expired at the end of 2016.

Other

- The 50 percent Railroad Track Maintenance Credit for Short Line Railroads expired at the end of 2016.
- The deduction for tuition and fees for higher education expired at the end of 2016.

AFBF Policy:

Farm Bureau supports the extension of all the listed tax provisions.

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