



P.O. Box 80299, Lincoln, NE 68501 | (402) 421-4400

September 23, 2021

The Honorable Joseph R. Biden
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

The Honorable Nancy Pelosi
H-232, The Capitol
Washington, D.C. 20515

The Honorable Mitch McConnell
522 Hart Senate Office Building
Washington, D.C. 20510

Old Executive Office Building
Washington, D.C. 20501

The Honorable Kevin McCarthy
2468 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Charles E. Schumer
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Kamala Harris

Dear Mr. President, Madam Vice President, and Congressional Leaders:

On behalf of the Nebraska Farm Bureau Federation (NEFB) and our more than 57,000 member families, I am writing to you to express our deep concern about the reconciliation package that has been working its way through Congress. Given what our federal government has spent over the past 21 months, combined with the threat of massive tax increases that look to put the future of family farms and ranches at risk, we simply cannot support this legislation. Unfortunately, it is clear to us this package is a work of party politics rather than sound public policy.

Without attempts at bipartisan outreach, Democratic leaders have crafted this reconciliation package that creates a multitude of new social programs and increases taxes on American businesses and individuals. When it comes to agriculture, I would be remised if I did not acknowledge that the package does provide significant investments in rural America. At the same time, many questions remain about how much of the funding will be allocated. The House Agriculture Committee failed to provide any detail on \$28 billion that is planned to be included for conservation/climate initiatives, but only promises that it will be added later. Unfortunately, this is only one of many examples where it is clear the desire to quickly pass this legislation due to political expediency is trumping sound public policy decisions.

At the same time, to pay for this package, the bill greatly increases taxes on the business community as well as individuals. Thankfully, at the time of the writing of this letter, the package does not include the much-feared increases in capital gains taxes via the elimination of stepped-up basis or 1031 like-kind exchanges. Both tax provisions are strongly supported by farmers, ranchers, and business owners. While many have tried to mischaracterize these tax provisions as ones only used by the super wealthy, that simply isn't true. Eliminating stepped-up basis alone would subject many farm and ranch families to a new tax burden, lead some to have to sell portions of their operation to pay the tax bill, further consolidation in agriculture, and would put our nation's food security at risk.

In closing, I want to acknowledge that while we simply cannot support this reconciliation package, I still want to thank you for your service to our great nation. America's challenges have always been great, including those we face today. However, our resolve as a people to meet those challenges, whether they be ideological differences or a global pandemic, must never wane and cannot ever falter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark McHargue". The signature is written in a cursive, slightly slanted style.

Mark McHargue
President