Family Farming and Cooperatives

2018 Special Order of Business

Tax Reform signed into law in December 2017 included Section 199A that give farm families the ability to deduct up to 20% of gross agriculture sales made to agriculture cooperatives. This significant tax benefit will allow farm families to realize meaningful tax savings, empower farmers to better control the price of our commodities, strengthen the financial health our local farmer-owned cooperatives and stimulate the economy in our rural communities.

Unfortunately, multinational grain companies have worked to undermine this provision in Washington DC. This comes on the heels of one of the largest corporate tax cuts in our nation's history. Before supporting regulatory guidance is even written, which would provide clearer insight into the true impacts of this tax change, corporations are working to undermine family farms.

Section 199a represents a significant and meaningful tax benefit for family farms. It also benefits farmer-owned cooperatives. The economic impact and jobs that could come from this tax credit could increase growth in rural America. This new tax law takes important steps toward improving the financial health of our family farms, farmer-owned co-ops, and our rural communities. Simply repealing these provisions would have dire consequences for cooperatives. Any changes that do not give cooperatives equitable treatment in tax reform also hurts cooperatives. NFU calls on congress to reject calls for the elimination of Sec. 199a.