

02/10/2003 Moran Introduces Livestock Tax Bill

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WASHINGTON, D.C. - Congressman Jerry Moran has introduced legislation to assist Kansas livestock producers. The legislation would provide tax relief to ranchers forced to sell their livestock due to natural disasters or to changes in government regulations on public lands.

Under current law, a rancher has two years after the weather-related sale of livestock to reinvest in his herd without tax consequences. This is often not long enough to rebuild a herd. Moran's legislation would give ranchers up to four years after the sale of livestock or two years after the end of the drought, whichever is longer, to replace the herd without tax consequences. This legislation would be retroactive to January 1, 2001.

"During this agriculture crisis, we should not be penalizing our ranchers who are forced to sell their herd," Moran said.

Moran's legislation also changes the tax deferral provisions in the tax code. Currently, a producer can defer income for a single year. This bill will give producers an additional year after the end of a drought to defer their income.

In addition, the legislation includes a proposal that treats sales caused by changes in federal land management policies in the same manner as drought related sales, and a measure that would allow producers to use Farm Service Agency information to document drought conditions.

"The on-going drought is forcing farmers and ranchers to sell their herds, and the current tax laws are making the situation worse," Moran said. We need to give our producers every opportunity to recover from this awful drought."

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