

HCS HB 1042 -- INCOME TAX DEDUCTION FOR CERTAIN FARMERS

SPONSOR: Diehl

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Agriculture by a vote of 22 to 0.

The following is a summary of the House Committee Substitute for HB 1042.

Currently, an individual owner of farmland who sells all or a portion of such farmland to a "beginning farmer" can subtract from his or her Missouri adjusted gross income certain amounts when calculating the individuals' tax obligation.

This bill broadens the scope of those taxpayers who can subtract certain amounts from their Missouri adjusted gross income calculations by including any of the following:

- (1) Individuals;
- (2) Trusts;
- (3) Firms;
- (4) Partners in a firm;
- (5) Corporations;
- (6) Partnerships;
- (7) Shareholders in an S Corporation; or
- (8) Members of a Limited Liability Company.

This bill is similar to HB 2418 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that 99% of land is held in a LLC, LP, or trust. This bill would expand the beginning farmer tax deduction provisions to ensure that these types of landowners could participate in the program.

Testifying in person for the bill were Representative Diehl; Missouri Bankers Association; FCS Financial (Farm Credit Services); Missouri Cattlemen'S Association; Missouri Farm Bureau; Missouri

Pork Association; Missouri Soybean Association; and Missouri Corn Growers Association.

OPPONENTS: No opposition was voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.