



The FairTax supports American Farm Bureau tax policy, point by point by point by point by point by point

Compare AFBF policy with the FairTax, then make the FairTax an AFBF Priority Issue now!

•AFBF policy on capital gains taxes

The Farm Bureau supports the repeal of capital gains taxes.

<http://www.fb.org/issues/backgrd/capgains108.html>

FairTax action on capital gains taxes

The FairTax repeals capital gains taxes, real *and* phantom. Farmers and ranchers need no longer set artificially high selling prices for their land, buildings, equipment, and livestock simply to recover the cost of capital gains taxes. With the FairTax, the cost of capital is lower, therefore farming and ranching are more competitive.

•AFBF policy on inheritance taxes

The Farm Bureau supports the repeal of inheritance taxes.

<http://www.fb.org/issues/backgrd/estate108.html>

FairTax action on inheritance taxes

The FairTax repeals inheritance taxes. Most farms are owned by families. With the FairTax, the heirs of an estate are no longer forced to sell land, buildings, or equipment simply to pay onerous inheritance taxes. Farmers are able to pass on their estates intact to their heirs, without paying for costly estate planning or inheritance taxes.

•AFBF policy on FARRM accounts

The Farm Bureau supports Farm and Ranch Risk Management Accounts (FARRM) accounts to promote saving and to shelter income from taxation.

<http://www.fb.org/issues/backgrd/farrm108.html>

FairTax action on FARRM accounts – and all savings accounts for that matter.

With the FairTax, all savings accounts are tax-free – indefinitely. Farmers and ranchers have no need for FARRM accounts because income (and savings and investments) are not taxed.

The FairTax bill (HR 25/S 1025) does the following:

- Ends income tax planning, filing, and recordkeeping of any kind for all Americans,

but especially for farmers and ranchers. The FairTax is only paid on elective, retail purchases of new goods or services for personal consumption.

- Exempts the purchase of farm, ranch, and business inputs. No tax on feed, seed, equipment, or any other input. No taxes on inputs.
- Eliminates personal, gift, inheritance, capital gains, alternative minimum, Social Security/Medicare, self-employment, and corporate taxes. The Social Security system is funded at current and future required levels through the sales tax, a much broader, more stable, and predictable source of funding for our nation's retirement promise.
- Ends all federal payroll deductions.
- Eliminates the Internal Revenue Service as we know it. The number of tax returns is reduced from an estimated 175 million to Washington to about 14 million sales tax returns filed with state capitals.
- Dramatically and honestly lowers real tax rates for lower- and middle-income Americans through a simple rebate that ensures no one in America pays the federal tax on goods and services up to the poverty level.

More . . .

More . . .

•AFBF policy on income averaging and the alternative minimum tax

The Farm Bureau supports income averaging to protect income from taxation, especially the Alternative Minimum Tax (AMT).

<http://www.fb.org/issues/backgrd/incomeave108.html>

FairTax action on income averaging and the AMT.

The FairTax repeals all income taxes. Without income taxes, there is no need for income averaging. Only personal (retail) consumption is taxed. Since the FairTax also repeals the burdensome AMT along with all other income taxes, the current distortions caused by the AMT are eliminated.

•AFBF policy on self-employment taxes

The Farm Bureau opposes self-employment taxes on Conservation Reserve Program (CRP) payments and land rental payments.

<http://www.fb.org/issues/backgrd/selfemntax108.html>

FairTax action on self-employment taxes

The FairTax repeals all self-employment taxes. Furthermore, with the FairTax, farmers and ranchers no longer pay any taxes on income from CRP payments or on income from the rental of land.

•AFBF policy on stepped-up basis calculations

The Farm Bureau supports stepped-up basis of property evaluations to protect farmers and ranchers from excessive income taxes.

<http://www.fb.org/issues/backgrd/steppedup108.html>

FairTax action on stepped-up basis calculations

Because the FairTax repeals all capital gains taxes, there is no need to calculate capital gains on either a stepped-up basis or on a carry-over basis. Farmers and ranchers will buy or sell property at market value, without the distortions caused by the current income tax code. Furthermore, since businesses are exempt from the FairTax, farmers and ranchers pay no federal sales tax on *any* of their business inputs.

What can you do?

- *Make the FairTax an AFBF Priority Issue.*
- Get educated on the FairTax.
- Help your county and state farm bureaus in their support of the FairTax. Spread the word.
- Visit and write your senators and congressmen now. Ask them to co-sponsor HR 25/S 1025.
- Vote in your state primary and pass a FairTax platform plank in the party of your choice.

Continued from page 1 . . .

- Frees time wasted filling out confusing IRS forms throughout the economy, increasing productivity dramatically of about three percent of gross domestic product.
- Raises the same amount of money for the federal government the income tax raises today (revenue neutral).
- Reduces the cost of products and services purchased by farmers, ranchers, and businesses. In addition, it reduces the retail cost of goods and services purchased by all Americans by 20 to 35 percent.
- Supports a permanent end to the federal taxation of income through a repeal of the 16th Amendment, returning the Constitution to its original wording.



SM

FairTax.org

**Support the
national retail sales tax!
Americans For Fair Taxation
1-800-FAIRTAX**