



UTAH FARM BUREAU FEDERATION

9865 South State Street • Sandy, Utah 84070-3205 • Phone: (801) 233-3040 • www.utahfarmbureau.org

"Inspire All Utah Families to Connect, Succeed, and Grow Through the Miracle of Agriculture."

National Tax Reform Needed Before Expiration in 2025

- Agriculture operates in a world of uncertainty—from unpredictable markets and fluctuating farm business costs, to weather disasters and disease outbreaks. **Farmers and ranchers need a tax code that provides certainty and recognizes their unique financial challenges as they work to provide a secure food supply for our nation.**
- **WHAT IS HAPPENING:** In 2025, key provisions of the Tax Cuts and Jobs Act will expire. Many of the pass-through business provisions are temporary and should be made permanent.
- **WHY?** More than 98 percent of farms and ranches operate as “pass-through businesses:” sole proprietorships, partnerships, and Sub S corporations. **Failure to extend these important provisions will result in a tax increase for farmers and ranchers and leave them without ways to deal with the cyclical and unpredictable nature of their businesses.**
- These provisions benefit most farm and ranch businesses and help build their operations and stimulate the agricultural economy.

These temporary provisions of the Tax Cuts and Jobs Act that benefit pass-through businesses should be made permanent:

- **Reduced Pass-Through Tax Rates and Expanded Brackets:** If not extended, the result will be a tax increase on the majority of farm and ranch businesses. **(Expires 12/31/25)**
- **New Sect. 199A 20 percent Business Income Deduction (phase- out starts when taxable income exceeds \$315,000/joint):** Repealing the business income deduction would expand the tax base of pass- through businesses, erasing much of the benefit of tax reform legislation. **(Expires 12/31/25)**
- **Unlimited Bonus Depreciation (Expensing):** If not continued, farmers and ranchers will be unable to offset income with deductions for their business investments. This is especially critical because like-kind exchanges for equipment and livestock are repealed. **(Phase out started in 2023)**
- **Doubled Estate Tax Exemption level for 2024 is 13.61M individual, 27.22 married filing jointly:** If the current doubled exemption expires, it will revert to the smaller exemption, and more farms and ranches will be subject to estate taxes. Additionally, the temporary nature of the exemption level necessitates money being spent on estate tax planning rather than on growing farm and ranch businesses. **(Expires 12/31/25)**
- **Increased Alternative Minimum Tax Threshold for Individuals:** Rollback of the higher AMT threshold will cancel out important deductions and credits put in place by tax reform. **(Expires 12/31/25)**