



Maine Farm Bureau Association

TESTIMONY IN SUPPORT OF
LD 1258 An Act To Adjust the Personal Property Tax Exemption for Farm Machinery

Senator Grohoski, Representative Perry and members of the Committee on Taxation:

My name is Julie Ann Smith and I am the Executive Director of Maine Farm Bureau, the state's largest grassroots farm advocacy organization. We have represented the voice of all agriculture in Maine for the past 70 years and I am grateful to have the opportunity to serve as the voice of our members today.

Maine Farm Bureau's farmer-members met to discuss this issue and voted to strongly support this important tax exemption for agriculture.

Agriculture has always been supported by the Maine Legislature through tax exemptions. Going back to 1874, "Hay, grain, and potatoes, orchard products and wool, owned by, and in possession of the producer, shall be exempted from taxation." The law was further refined in 1970 to exempt all farm machinery used exclusively in production of hay and field crops, up to \$5,000. In 1977, the exemption was changed from \$5,000 to \$10,000 to adjust for inflation. The exemption has not been adjusted since 1977.

We are requesting a simple inflation adjustment for some farm machinery. This bill does not include tractors or machinery that is defined as a "self-propelled vehicle." It covers the implements that are necessary for farmers to do their work of growing food to feed Maine.

LD 1258 is an important opportunity to help farm businesses. The cash the farmer saves with a tax exemption is reinvested in the farm and local community. Most importantly, it is used to feed the people of Maine. We urge your support for this important exemption.

Thank you for your time and service to the people of Maine. I would be happy to answer any questions you may have.