

HB 2632 -- AGRICULTURAL TAX CREDITS

SPONSOR: Reiboldt

This bill modifies the Qualified Beef Tax Credit Act by modifying the baseline weight to be the average of the previous two years and extending the sunset on the credit from Dec. 31, 2016, to December 31, 2023. Currently, a farmer can receive the tax credit of \$.10 per pound for each pound as long as the sale weight is 200 pounds over the baseline weight. The bill would allow for a credit of \$.10 per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is under 600 pounds and \$.25 per pound for each pound as long as the sale weight is 100 pounds over the baseline weight if the sale weight is 600 pounds or greater. A taxpayer may not claim credit of more than \$10,000 per year and can only claim the credit for up to three years.

This bill also creates Livestock Risk Protection Tax Credit Act, which beginning January 1, 2017, and ending December 31, 2023, authorizes a tax credit for 50% of a taxpayer's cost of the livestock risk protection premiums for the year. The taxpayer may not claim credit of more than \$10,000 per year and can only claim the credit for up to three years. The credit may be assigned, transferred, or sold. A taxpayer may not claim credit under this credit and the Qualified Beef Tax Credit in the same year.

This bill also creates Meat Processing Facility Investment Tax Credit Act, which beginning January 1, 2017, and ending December 31, 2023, authorizes a tax credit for 25% of the amount the taxpayer spent for meat processing modernization or expansion for the year. The taxpayer may not claim credit of more than \$75,000 per year. The credit may be assigned, transferred, or sold.

The amount of credit claimed under the Qualified Beef Tax Credit, the Livestock Risk Protection Tax Credit, and the Meat Processing Facility Investment Tax Credit may not exceed \$3 million per calendar year.