

June 26, 2012

The Honorable Aaron Schock
United States House of Representatives
328 Cannon House Office Building
Washington, DC 20515

Dear Rep. Schock:

The American Farm Bureau Federation supports your bill, H.R. 5990, the *Farm Tax Parity Act*, to exclude farm rental income from self-employment (SE) taxes.


Farm Bureau believes rental income should not be subject to SE taxes because it is investment income rather than earned income. This is the case for non-farm taxpayers but not for some farm and ranch landlords.

As a result of court action, the Internal Revenue Service singles out farmers and ranchers who rent land to their farm corporation as landlords liable for the SE tax on cash rental income in some parts of the county.

Farm Bureau believes it is unfair to treat active farmers and ranchers differently from non-farm landlords when imposing SE taxes on rental income for what is exactly the same activity. Additionally, it is wrong to collect SE taxes on active farmland owners just because they live in a state not covered by the Eighth Circuit Court.

Farm Bureau commends you for taking leadership on this issue and pledges to work for passage of your legislation.

Sincerely,



Bob Stallman
President