



For Immediate Release
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**Hearing Statement of Senator Max Baucus (D-Mont.)
Regarding Farm Program Tax Issues**

President Eisenhower once said: "Farming looks mighty easy when your plow is a pencil and you're 1,000 miles from the corn field."

President Eisenhower was responding to critics of his program to provide price supports for struggling farmers. Having grown up in Kansas farm country, Eisenhower appreciated the vital and difficult work that farmers do to keep food on America's table.

Today's hearing will look at government tax policy in farm country. Agriculture is vital to my home state's economy and heritage. It is a financial engine that drives Montana's economy. That is why I am dedicated to ensuring that our farm policies and tax system work for our farmers and ranchers.

We don't have farm programs to make farmers rich. We have farm programs to provide a safety net when disaster strikes. Whether it's a spring frost, a mid-summer hailstorm, or the timely rain that never arrives — all farmers suffer disasters. In agriculture, it's not a matter of if, but when.

Earlier this year, Congress passed another ad-hoc disaster assistance package. But for some farmers, it was too little, too late. Producers still do not have any money from disasters two years ago. For some producers who had a disaster in the spring of 2005, payment may not come until early 2008. What type of a safety net kicks in nearly three years after a disaster?

Today, we will hear testimony about the importance of providing permanent agriculture disaster relief.

Last year, in the Pensions Protection Act, I was proud to include an enhanced deduction for charitable contributions for conservation purposes. Under that provision, farmers and ranchers can deduct up to 100 percent of their adjusted gross income for donations of conservation easements. This year, I introduced legislation to make this enhanced deduction permanent.

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This year, I also cosponsored the Endangered Species Act of 2007, along with Senators Crapo, Lincoln, Grassley, and other Members of the Committee. This bill would create new tax credits and deductions for taxpayers who take measures to aid in the recovery of species that are listed as either threatened or endangered under the Endangered Species Act.

Conservation is important. And these bills will help farmers and ranchers to protect America's land and wildlife. And that is why we will also look at other popular conservation programs today, including the Conservation Reserve Program, Grassland Reserve Program, and Wetlands Reserve Program.

Through the Conservation Reserve Program — or CRP — farmers can receive help creating long-term, resource-conserving habitats on eligible farmland. Questions have arisen about the proper tax treatment of CRP payments. So today, we will also hear testimony about this important program.

And we will also hear about Social Security payroll tax exemptions for certain visas. Currently, holders of several types of visas can work without paying any Social Security payroll tax. Additionally, the employers of these workers do not have to pay the employer share of the Social Security payroll tax. The visa holders involved include temporary agricultural workers, foreign students, au pairs, and cultural exchange visitors.

One of the fundamental principles of Social Security is that all workers contribute throughout their careers. Over the years, Social Security coverage has expanded to include agricultural workers, self employed individuals, and clergy. Social Security is stronger when more workers contribute. Why should these particular types of workers be exempted?

I am also concerned that some foreign workers in these visa categories may have an unfair advantage getting jobs. I want to better understand if these exemptions are still necessary. And I want to explore whether the current policy makes sense.

Sometimes Government looks like it's more than 1,000 miles from the corn field. And sometimes Government policy looks as much like common sense as a pencil looks like a plow. Today, we'll dig into the facts.

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