

1999 SENATE AGRICULTURE

SCR 4040

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4040

Senate Agriculture Committee

Conference Committee

Hearing Date 2/25/99

Tape Number	Side A	Side B	Meter #
2	X		1,500

Committee Clerk Signature *Tricia Bergman*

Minutes:

Senator Klein called the meeting to order, roll call was taken, all were present.

Senator Klein opened the hearing on SCR 4040.

Senator Wanzek introduced the bill.

Senator Sand: I think the study runs into federal law and I don't think the federal is going to let us do things.

Senator Wanzek: I understand what you are saying.

Senator Urlacher: I would hope the study would relate to the beginning and the end.

Senator Wanzek: There is no way a person who is building a farm can do it.

Senator Sand: This whole thing will be taxable.

Senator Wanzek: Land will be in estate whether you pay taxes now or later.

Senator Klein: Idea is to work out all these issues.

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Senate Agriculture Committee

Bill/Resolution Number Scr 4040

Hearing Date 2/25/99

Senator Wanzek: Could put more pressure on Congress.

Senator Klein: I think that is how we do a lot of resolutions.

Senator Sand: If we give up control it will take care of the estate problem.

Senator Wanzek: It's not quite that simple.

Senator Urlacher: Need to have tools to understand each other.

Senator Klein closed the hearing on SCR 4040.

Senator Mathern made the motion for a Do Pass.

Senator Urlacher seconded.

ROLL CALL: 7 Yes, 0 No

CARRIER: Senator Wanzek

Date: 2/25

Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. SCR 41040

Senate Agriculture Committee

Subcommittee on \_\_\_\_\_

or

Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass

Motion Made By Mathern Seconded By Urlacher

Senators	Yes	No	Senators	Yes	No
Senator Wanzek	✓				
Senator Klein	✓				
Senator Sand	✓				
Senator Urlacher	✓				
Senator Kinnoin	✓				
Senator Kroeplin	✓				
Senator Mathern	✓				

Total (Yes) 7 No 0

Absent \_\_\_\_\_

Floor Assignment Senator Wanzek

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
**February 25, 1999 12:13 p.m.**

**Module No: SR-34-3545**  
**Carrier: Wanzek**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SCR 4040: Agriculture Committee (Sen. Wanzek, Chairman) recommends DO PASS**  
**(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4040 was placed on the**  
**Eleventh order on the calendar.**

1999 HOUSE AGRICULTURE

SCR 4040

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SCR 4040

House Agriculture Committee

Conference Committee

Hearing Date 3-12-99

Tape Number	Side A	Side B	Meter #
One SCR 4040		x	44.9 to 54
Two SCR 4040	x		0.0 to 3.0
Committee Clerk Signature			

Minutes:

Summary of Resolution: Directs the Leg Council to study the possibility of farmers sheltering some income in an Agr Real Estate Retirement Fund.

Sen Wanzek: Dist 29.. Basically when you sell your land or just part of it you are liable for captial gains tax and usually there is nothing left afterwards. Every since I started farming and I purchased some land, always been a little bit frustrated, when you pay off your land you usually generated income to do that. When ever you do that you generate a lot of taxes liability. It makes it very difficult to get ahead because while you are trying to pay off your land and establish as a farmer. Every time you go sell some more grain over and above your living expenses, if you are forunate to have a good year and have some extra income you automatically kick in extra tax liability. I'm wondering why farmers who typically uses his real estate as his pension fund, most of us farmers that's our retirement fund. Our pension plan or our stocks and bond fund. I'm

wondering if there isn't some way to study this issue and come up with a viable alternative for them.

Rep Renner: Sen Wanzek I love this idea. Been wondering why we couldn't do this long time ago.

Sen Wanzek: We are not trying to lay out the details on how it would be taxed but to have them study it and come up with a viable solution. I speak from personal experience. When my wife was working we saved some of her money from her wages and put it in to an investment group fund and built enough money in that situation plus we had some good years of farming, we built up some inventory and some land came up for sale. Will with most banks you have to put down 30% to 40%. You buy \$100,000 worth of land you have to come with \$35,000, you sell what grain you have to come with over and above what you need you need to live on, all of a sudden that puts you in a higher tax bracket, say if you were in the 15% bracket this puts you in the 28% bracket. You add 15.3% self employment, and then you add 14% for the state tax all of a sudden you have to generate another \$15,000 to pay the tax on the \$35,000 you sold to pay for the land and then when you sell the grain to pay the tax you generate some more tax. It's almost impossible at times for young people and others to make it work.

Motion by Rep Renner for a DO PASS second by Rep Nowatzki and place on consent calendar

Vote total    YES    11    NO    0    ABSENT    4    Carrier Rep Berg



Date: 3-12  
Roll Call Vote #:

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 4040

House AGRICULTURE Committee

Subcommittee on \_\_\_\_\_  
or  
 Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do pass Consent

Motion Made By Renner Second By Nowatzki

Representatives	Yes	No	Representatives	Yes	No
Eugene Nicholas, Chaiman	✓		Bob Stefonowicz	✓	
Dennis E. Johnson, Vice Chm	✓				
Thomas T. Brusegaard	✓				
Earl Rennerfeldt	✓				
Chet Pollert					
Dennis J. Renner	✓				
Michael D. Brandenburg	✓				
Gil Herbel	✓				
Rick Berg	✓				
Myron Koppang					
John M. Warner	✓				
Rod Froelich	✓				
Robert E. Nowatzki	✓				
Phillip Mueller					

Total (Yes) 11 No 0

Absent 4

Floor Assignment Berg