



Maryland Farm Bureau, Inc.

3358 Davidsonville Road • Davidsonville, MD 21035 • (410) 922-3426

February 12, 2020

To: House Ways and Means Committee

From: Maryland Farm Bureau, Inc.

Re: **Opposition of HB222 - Income Tax Rates - Capital Gains Income**

On behalf of our member families, I submit this written testimony opposing HB 222. This bill would increase an individual's income tax rate by an additional 1% on net capital gains and would apply starting 2020 taxable year. This would include the net capital gains from the sale of a land preservation easement.

Farmers already take a discount on the value of their easement when they sell the development rights to the state to preserve the land for both farming as well as open space for the state. The practice of preserving open space not only assists with ensuring there will be land available to grow our food in the future, but also assures there will be space for recharging our underground aquifers as well as buffering our streams and rivers.

For several years now, MFB has asked for the net capital gains from the sale of easements to be exempted from a farmer's income tax. This bill not only doesn't address the farmer issue, but compounds it by increasing the tax and further devalues their land.

Maryland Farm Bureau Policy: We support an exemption from the Maryland capital gains tax on any profit realized from the sale of a perpetual conservation easement.

MARYLAND FARM BUREAU RESPECTFULLY OPPOSES HB 222

A handwritten signature in black ink, appearing to read 'Colby Ferguson', with a long horizontal flourish extending to the right.

Colby Ferguson
Director of Government Relations

For more information contact Colby Ferguson at (240) 578-0396