



January 23, 2025

To: Ways and Means Committee

From: Horizon Farm Credit

Bill: HB 278 – Income Tax – Subtraction Modification – Enhanced Agricultural Management Equipment

Position: Support

Horizon Farm Credit is a member-owned cooperative supporting rural communities and agriculture with reliable, consistent credit and financial services throughout our five-state lending territory in good times and bad. With over \$7 billion dollars in loans outstanding to over 23,000 member-owners representing the full range of agriculture, we are one of the largest agricultural lenders on the East Coast.

HB 278 would alter the subtraction modification under the Maryland income tax for enhanced agricultural management equipment to include equipment the Secretary of Agriculture determines by regulation to qualify as enhanced agricultural management equipment.

The agriculture industry has been and continues to be the leader in technological innovation. These technologies help farmers and ranchers strive to be the most excellent stewards of their land and livestock. With rising equipment and technology costs, producers are making significant investments in equipment to prepare, plant, and harvest every season. As an agricultural lender, this modification would lower the risk tolerance for lenders to make loans to farmers who invest in cutting-edge technologies not outlined in current law.

House Bill 278 allows producers the ability to continue to invest in newer technologies to remain competitive and profitable and not burdened with higher taxable income for doing so.

Horizon Farm Credit Supports HB 278

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