



Maryland Department of Agriculture

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Maryland Department of Agriculture Legislative Comment Date: April 1st, 2026

BILL NUMBER: HB 547
BILL TITLE: Income Tax - Subtraction Modification - Enhanced Agricultural Management Equipment
MDA POSITION: SUPPORT

The Maryland Department of Agriculture (MDA) respectfully submits this letter in support of *House Bill 547 - Income Tax - Subtraction Modification - Enhanced Agricultural Management Equipment*. This bill requires the Department to submit an annual recommendation to the Governor and the General Assembly, recommending enhanced agricultural management equipment that should qualify for tax exemption, expanding opportunities for Maryland farmers.

Agriculture continues to evolve and modern equipment is designed to give farmers the tools to optimize efficiency, reduce greenhouse gas emissions, manage nutrients, and promote soil health. Currently, the legislation authorizing the tax subtraction for enhanced equipment is limited to a codified list of tools but does not account for the rapid development of precision agricultural equipment that often outpaces the legislative process. HB 547 enables the Secretary of Agriculture to submit recommendations that outline the newest technologies and proven opportunities for farmers to take the next steps in supporting farm profitability, soil health, and net environmental benefits, while mitigating a small portion of the risk involved in adopting new technology. The Maryland Income Tax Subtraction Modification for Enhanced Agricultural Management Equipment provides tax relief to farmers to help offset the costs of purchasing critical conservation equipment. This is just one of the key tools supporting Maryland's farmers in order to advance the state's agricultural water quality and climate goals.

The Maryland Department of Agriculture is supportive of the proposed updates in HB 547 that detail the State's commitment to supporting farmers who are investing into enhanced agricultural management equipment and providing benefits to the whole state. For these reasons, MDA strongly supports HB 547 and respectfully requests a favorable report. MDA appreciates the consideration of the above information in the Committee's deliberations.

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