

Tax Break Incentive Proposed For Farms In Preservation Programs

(Continued from Page A1)

years before he left office.

"I appreciate the fact that Joe (Pitts) is reintroducing legislation that was developed over a period of time from what I learned when I talked to farmers about what was needed for farmland preservation," Walker said. "Farmland preservation does not make sense if these efforts don't fit with farm economics. These two measures are designed to fit with farm economics. By eliminating the estate (death) tax, you assure the family can keep the farm for long term family benefits. And if the farmer is going to sell the farm and use the money for retirement, then capital gains tax breaks assure the farmer of the benefit of the accrued value of the farm's chief asset. Both fit well with farm economics and make sense as a preservation tool. A number of farm preservation and environmental groups are taking an interest in this bill. Finding money to buy up property is difficult. But this incentive created at the federal level does not require the expenditure of federal money."

State senator Noah Wenger (R-36) spoke of this legislation as the next step in the farmland preservation. He called it the continuing effort to keep agriculture strong

and viable in Pennsylvania.

Senator Robert Thompson, (R-19) reported on efforts for local tax reform to help keep the farm in the family until the estate is settled. He said that right now farmers are having a difficult time making ends meet, and these steps will continue agriculture's growth in Pennsylvania.

Representative Art Hershey (R-13) said that as land values increase, the Congress needs to be sensitive to the cost of investment for the farm family. "The success of the farm is the families involved," Hershey said. "These farm families make strong communities. It's nice to hear some relief is coming. You can't by law sell farms to the next generation for a few dollars. Now you need appraisals approved by taxing authorities, and then capital gains are based on that price."

Recently Pennsylvania's senate passed a resolution urging the U.S. Congress to enact permanent estate tax relief for Pennsylvania. This tax relief became part of the Taxpayer Relief Act, which Congress just passed. In this act, estate tax exemption went from \$600,000 to \$1 million. Pitts said this will significantly help many people, but work needs to continue to eliminate this unfair tax.



Congressman Joe Pitts outlines his federal legislative proposal to eliminate estate and capital gains taxes from farms that have been preserved. In support are from left, Congressman Bob Walker; Art Hershey, state representative; and Noah Wenger, and Bob Thompson, both state senators.



Reporters, farmers, and officials hear Congressman Pitts outline his federal legislative proposal to give tax breaks as incentive for farmland preservation.

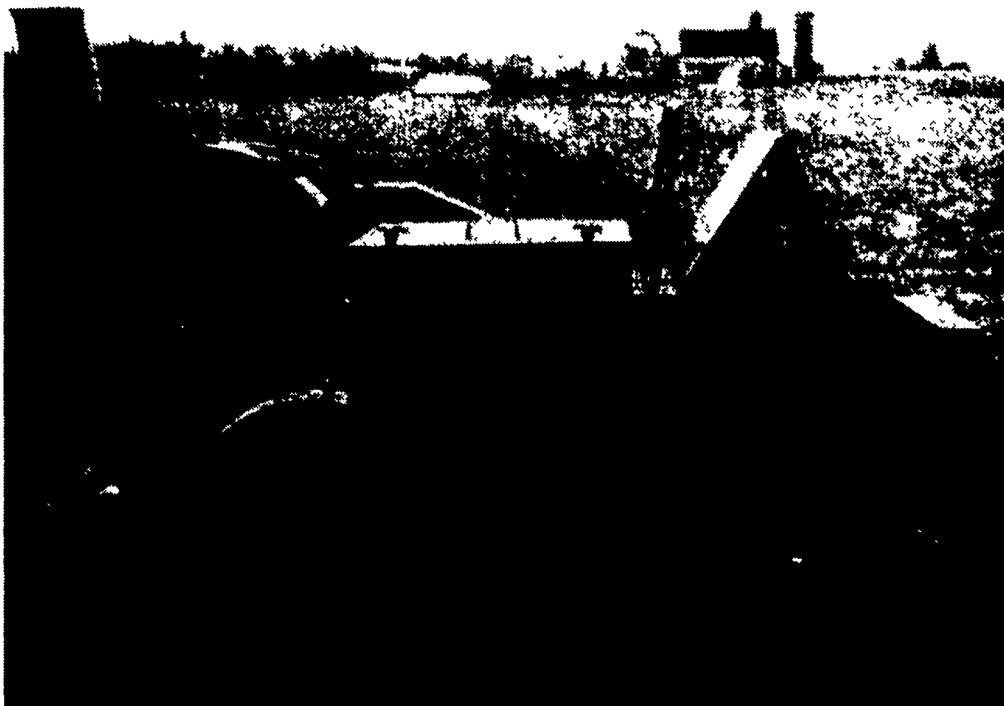
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