

## Adams, Kildee, Scott Introduce House Bill Eliminating Tax Liability for Inflation Reduction Act Assistance to Farmers



**From** Alma Adams Press <sam.spencer@mail.house.gov>  
**To** <sjohnston@tuesdayforumcharlotte.org>  
**Reply-To** <sam.spencer@mail.house.gov>  
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Hello Sarah,

## Adams, Kildee, Scott Introduce House Bill Eliminating Tax Liability for Inflation Reduction Act Assistance to Farmers

WASHINGTON, D.C. (September 6, 2023) – **Congresswoman Alma S. Adams, Ph.D. (NC-12) and U.S. Representatives Dan Kildee (MI-08) and Bobby Scott (VA-03)** today introduced the *Family Farmer and Rancher Tax Fairness Act of 2023*, legislation that would remove the tax liability for distressed farmers on the assistance provided under Sections 22006 and 22007 of the Inflation Reduction Act (IRA). Currently, farm loan borrowers who are already at financial risk are facing tax liability on the IRA assistance.

[The full text of the \*Family Farmer and Rancher Tax Fairness Act\* can be found here.](#)

“Farmers deserve the financial assistance that both keeps them afloat amid challenging economic circumstances and helps to address decades of discrimination,” **said Congresswoman Adams, a senior member of the House Agriculture Committee.** “The dynamics that small and socially disadvantaged farmers face are taxing enough, and the *Family Farmer and Rancher Tax Fairness Act* would ensure that farmers who get funding under relevant sections of the Inflation Reduction Act are not tax-liable. We owe this relief to those who feed our families, in North Carolina and across the country.”

“Farmers in Michigan and across the country work hard to put food on our tables. I was proud to pass legislation so farmers could get the relief they needed to keep their operations running,” **said Congressman Kildee, a member of the Ways & Means Committee.** “Our new legislation will cut taxes for Michigan farmers, increasing the benefits they receive from this important program.”  
“I was proud to support the Inflation Reduction Act (IRA) to aid farmers who were victims of discrimination as well as those who were financially distressed during the pandemic. The *Family Farmer and Rancher Tax Fairness Act* is the next step to ensure that those who produce food we depend on, in Virginia and across the country, receive the full benefit of the IRA’s support,” **said Congressman Bobby Scott (VA-03).**

Section 22006 of the IRA authorizes payments to distressed farm loan borrowers, particularly those borrowers whose agricultural operations are at financial risk. Distressed borrowers with qualifying USDA farm loans have already received over \$1 billion in assistance as part of the \$3.1 billion for distressed farm loan borrowers provided through Section 22006, and these farmers are now facing the imminent threat of hundreds of millions of dollars of IRS tax liability if Congress does not act.

Section 22007 of the IRA provides much-needed financial assistance to Black farmers and others who have suffered discrimination through USDA’s farm lending programs. Applications for the Discrimination Financial Assistance Program (DFAP) are open until October 31, 2023, and payments are slated to reach recipients early next year. The *Family Farmer and Rancher Tax Fairness Act* exempts these payments from federal income taxes.

Original House cosponsors of the Family Farmer and Rancher Tax Fairness Act include **Reps. Don Davis (NC-01), Cori Bush (MO-01), Sanford Bishop, Jr. (GA-02), Chellie Pingree (ME-01), Marilyn Strickland (WA-10), Terri A. Sewell (AL-07), and Jennifer L. McClellan (VA-04).** **Senators Cory Booker (D-NJ), Raphael Warnock (D-GA), and Tina Smith (D-MN)** introduced companion legislation in the Senate earlier this year.

The legislation is endorsed by the following groups: National Farmers Union, Farm Action Fund, Farm Aid, Federation of Southern Cooperatives, Intertribal Agriculture Council, National Family Farm Coalition, Pennsylvania Farmers Union, Rural Advancement Foundation International-USA, Rural Coalition, USDA Coalition of Minority Employees, Justice for Black Farmers Group, Black Belt Justice Center, Black Farmers of Chilton County, Black Farmers and Agriculturalists Association, Mississippi Minority Farmers Alliance, Reed-Wright Black Farmers Coalition, African American Agriculturalist Association, Brown Family Farm, Sustaining Environments Through Education and Economic Development, Inc. (SEED), Independent Black Farmers, African American Agriculture Association, Black Men

in America, Cowtown Foundation, No Fear Coalition, Acorn8 and Coalition for Change, Inc., North Carolina Association of Black Lawyers Land Loss Prevention Project, National Black Farmers Association.

**Congresswoman Alma S. Adams, Ph.D.** represents North Carolina's 12th Congressional District (Charlotte, Mecklenburg County, Cabarrus County) and serves on the House Committee on Agriculture and the House Committee on Education & the Workforce, where she serves as ranking member of the Workforce Protections Subcommittee.

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Sam Spencer  
Communications Director  
Congresswoman Alma S. Adams, NC-12  
2436 Rayburn House Office Building Washington, DC 20515  
Phone: 202-225-1510 Fax: 202-225-1512

Office of Congresswoman Alma Adams | 801 E. Morehead St, Suite 150, Charlotte, NC 28202

[Unsubscribe sjohnston@tuesdayforumcharlotte.org](mailto:sjohnston@tuesdayforumcharlotte.org)

[Constant Contact Data Notice](#)

Sent by sam.spencer@mail.house.gov