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NEVADA FARM BUREAU FEDERATION

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Nevada Farm Bureau Testimony S.B. 293 Senate Taxation Committee March 20, 2003

Chairman McGinness, members of the committee for the record, my name is Doug Busselman. I am the Executive Vice President of Nevada Farm Bureau. We are here today to express our opposition to the proposed repeal of two specific exemptions noted in S.B. 293.

First and foremost we support the exemption from sales and use taxes of pieces of equipment used directly in production of food and fiber. We were involved in the last session of the Nevada Legislature in obtaining the partial exemption that S.B. 293 seeks to fully re-install.

Secondly we would like to express our concern over removal of the exemption in 374.285 pertaining to animals and plants intended for human consumption; feed fertilizer.

The removal of the exemption embodied in 374.285 would have substantial ramifications for agricultural producers in our state and needs serious consideration as well as significant legislative discussions should you wish to process this bill with the exemption of this section of statute as it is proposed.

We believe that if this bill moves forward, there needs to be very specific direction and stated intentions for tax authorities to use in establishing the actually working mechanism for assessing sales taxes on the various components that would be taxed under removal of 374.285.

We would specifically like to have the legislature clearly spell out their intent on matters such as the sale of agricultural commodities (plants or animals).

While we understand the seriousness of the current budget situation and while we respect the tough choices you face in your work – we also believe that it is necessary to come before you with the arguments that these two areas are related to the process which create at least one necessity of life...namely food.

We believe that the exemptions we are attempting to preserve are essential in preserving the ability of Nevada farm and ranch families to remain economically viable, producing the food and fiber products that make their way through the processing chain and arrive in the supermarkets where consumers benefit.

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It is our contention that you cannot obtain the necessity of life, known as food without someone producing it. If you undermine producers' economic ability to continue you impact the end result of the food products on the shelves of the stores where consumers purchase.

We are not going to sit here before you today and make the claim that if every Nevada farm and ranch family were to go out of business that there wouldn't be any food in Nevada grocery stores...but, we are here to suggest that because of the other benefits that farm and ranch families contribute to our state's rural areas that reducing their economic viability will be something that wouldn't be good.