

Finance, Revenue and Bonding Committee

JOINT FAVORABLE REPORT

Bill No.: HB-7175

AN ACT ESTABLISHING A FARM INVESTMENT TAX CREDIT AND
INCREASING THE FARM MACHINERY PROPERTY TAX EXEMPTION

Title: AMOUNT.

Vote Date: 4/24/2025

Vote Action: Joint Favorable Substitute

PH Date: 3/14/2025

File No.: 887

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SPONSORS OF BILL:

Finance, Revenue & Bonding Committee

REASONS FOR BILL:

The purpose of a farm investment tax credit is to better support the agricultural land throughout the state of Connecticut. This bill aims to encourage more investment into the farming industry and with the tax credit, bring relief to farms within the state so they can allocate those funds to more efficient machinery, infrastructure, and other actions in the hopes to bring more efficiency and grow more products to the industry.

RESPONSE FROM ADMINISTRATION/AGENCY:

Paul Larson, President, Connecticut Farm Bureau Association: Paul Larson submitted testimony in support of this legislation because the long-term benefits to CT agriculture that this provides will go a long way to help insure financial sustainability for many farms large and small, old and new.

Tracey McDougall, Executive Director, Connecticut Farm Bureau: Tracey McDougall submitted testimony in support of this legislation because the farm investment state tax credit and the state-wide municipal property tax exemption will go a long way in benefitting this state's farms small and large in investing in the latest equipment, technology, and innovations to modernize the industry.

NATURE AND SOURCES OF SUPPORT:

Stephanie Walsh, Senior VP, Chief Government and Industry Relations Officer, Dairy Farmers of America: Stephanie Walsh submitted testimony in support of this legislation because it will provide CT farmers with an opportunity to invest in infrastructure that will enable them to improve farm efficiency and productivity.

Representative Jamie Foster (D), CT General Assembly, District 57: Representative Foster submitted testimony in support of this legislation because it provides critical and long-overdue financial relief to this state's agricultural producers, promotes long-term investment in farm infrastructure and strengthens the overall economic sustainability of farming in CT.

Dario Arezzo, Chief Financial Services Officer, Farm Credit East, ACA: Dario Arezzo submitted testimony in support of this legislation because it will ensure that the playing field for farmers in CT is level with neighboring states in which farmers benefit greatly from the investment tax credit.

Carolyn Huff, Big Boys Toys LLC: Carolyn Huff submitted testimony in support of this legislation because the increase in property tax exemption and the proposed 20% investment tax credit will support and enable further economic development in the CT farming industry.

Candace Benyei, Ph.D., Whimsy Brook Farm, Ltd.: Candace Benyei submitted testimony in support of this legislation because anything that reduces farming costs, especially with the state of uncertainty surrounding the global economy, can make a significant difference to farmers operating on very low profits.

Catherine de Ronde, VP, Economics and Legislative Affairs, Agri-Mark, Inc.: Catherine de Ronde submitted testimony in support of this legislation because it will help to incentivize CT dairy farmers of all sizes to continue investing and evolving their businesses by offsetting some of the financial challenges facing them today and in the future.

Keith Bishop, President and Chairman, Bishop's Orchards: Keith Bishop submitted testimony in support of this legislation because it will significantly alleviate existing financial pressures, encourage new investment and protect farmland from development by supporting increased farm income.

Ethan Arsenault, Partner, Canaan View Dairy, LLC: Ethan Arsenault submitted testimony in support of this legislation because of the current uncertainty with tariffs and world trades that create more instability within the industry. This can provide relief to all farmers, most importantly, ones already operating on tight margins.

Adam Jackson, Manager, Fairvue Farms: Adam Jackson submitted testimony in support of this legislation because the cost of new machinery, in addition to the costs of building skyrocketing over the past 5 years, modernizing the state's farming industry has become incredibly challenging.

Seth Aborn, Dairy Farm Operator: Seth Aborn submitted testimony in support of this legislation because operating a dairy farm in CT has become a significant challenge due to

limited availability of resources and land. They believe any tax credits or exemptions will help to lower costs which can keep dairy farming in CT.

Greg Bennett, Owner, Lost Acres Orchard: Greg Bennett submitted testimony in support of this legislation because the threshold for farm machinery property tax exemption hasn't been updated in many years, despite skyrocketing costs due to technological innovations. This can significantly benefit small farms that operate on tight margins.

Cricket Jacquier, Owner, Laurelbrook Farm: Cricket Jacquier submitted testimony in support of this legislation because rising costs on multiple fronts requires larger capital investments annually has made farming even more daunting. This bill would keep agriculture on all sized farms and businesses able to adapt to the current financial landscape.

Ted Lewis, Owner, Beriah Lewis Farm: Ted Lewis submitted testimony in support of this legislation because at this time, costs of equipment necessary to operate a farm, such as tractors, milking machinery and combines have risen in price yet the tax exemption has remained the same, lowering profits.

Francis Whelan, Co-Owner, Hayes Farm: Francis Whelan submitted testimony in support of this legislation because the farm equipment property tax exemption would add additional savings for struggling farmers in this state.

Morgan Dodge, Farmer, Owner, 7 Acres Farm: Morgan Dodge submitted testimony in support of this legislation because it will provide aid to small, newer farms that have not been handed down equipment from prior generations, essentially helping with startup costs.

Jonathan Edwards, Owner, Jonathan Edwards Winery: Jonathan Edwards submitted testimony in support of this legislation because the current exemptions are antiquated in their valuation and have not kept up with the rate of inflation. These new exemptions will help to lower the cost of doing business.

Stephen Sheldon, Owner, Sheldon Family Farm, LLC: Stephen Sheldon submitted testimony in support of this legislation because costs in all aspects of agriculture are constantly increasing at a rate much greater than the original sale prices. The cost of agricultural machinery and the cost of materials for new building and infrastructure have also increased more than the commodities they help to grow.

Amanda Freund, Co-owner, CowPots LLC: Amanda Freund submitted testimony in support of this legislation because it will bring this state up to date with current costs of doing business, which have increased significantly in CT, putting their business at risk.

Robert Miner, Owner, G and C Miner Farm: Robert Miner submitted testimony in support of this legislation because this tax credit for farm investment might help to bring new farmers into the industry and help current farmers at the same time.

Paul Miller, Owner, Fairvue Farms: Paul Miller submitted testimony in support of this legislation because it will enable their farm to invest in new technology to stay competitive since the costs of production in this state are higher. This tax credit will help keep farms in business and ensure the stability of the food supply.

James Smith, Owner, Cushman Farms, LP.: James Smith submitted testimony in support of this legislation because the investment tax credit helps all agriculture industries invest in equipment, technology and infrastructure to remain sustainable and work towards CT becoming more food secure.

Arthur Spielman, Owner, Spielman Farm LLC.: Arthur Spielman submitted testimony in support of this legislation because a tax bill like this one allows for expansion and to help younger generations who want to farm in this state. New technologies are expensive but very much needed to sustain the farming industry.

Barbara Jones, Fairvue Farms, LLC.: Barbara Jones submitted testimony in support of this legislation because this tax credit would be a huge help towards offsetting the cost of purchasing and maintaining very expensive farm equipment.

Benjamin Freund, Freund's Farm, Inc.: Benjamin Freund submitted testimony in support of this legislation because CT is falling behind its neighbors in making necessary investments to keep farmers in business. Adding the investment tax credit will level the playing field with neighboring states and encourage more investment in the agricultural sector.

Jonathan Hermonot, Fairholm Farm: Jonathan Hermonot submitted testimony in support of this legislation because it has become incredibly to stay in the farming business with the increasing cost of inflation of goods and this would provide much needed relief.

Gregory Peracchio, Hytone Farm, LLC: Gregory Peracchio submitted testimony in support of this legislation because these proposed tax credits will ensure the vitality of CT's agricultural sector and safeguard the food supply. This legislation would support farmers who work tirelessly to feed and sustain the people of CT.

Jamie Jones, Farmer, Jones Family Farms and Winery: Jamie Jones submitted testimony in support of this legislation because the provisions of this bill would improve the financial stability necessary for agricultural innovation and sustainability. Modern, efficient farm equipment has gotten incredibly expensive and is holding many farms back.

An additional 1 pieces of testimony were also submitted in support of this legislation.

NATURE AND SOURCES OF OPPOSITION:

Randy Collins, Associate Director of Policy, Connecticut Conference of Municipalities: Randy Collins submitted testimony in opposition of section 2 of this legislation because towns and cities remain reliant on the imposition of a regressive property tax system to fund all levels of local service. These proposals would further increase property tax rates that already subsidize the current mandated property exemptions.

Reported by: Griffin Olshan

Date: 5/9/25

