



Ohio Soybean Association Policy Update February 2024

National Policy Updates

Budget - A continuing resolution that the House passed by Congress in January USDA and several other agencies operating until March 1 and funds the rest of the government until March 8. While the move acted to prevent a shutdown of USDA it still leaves open the potential for yet another standoff and deal making in March. Important for agriculture is that this delayed action only further limits the amount of time lawmakers have for moving a farm bill.

Trade - The U.S. Department of Agriculture Foreign Agricultural Service (FAS) [announced](#) \$203 million allocated to the Market Access Program (MAP) and the Foreign Market Development (FMD) Program. Specifically, the FAS will provide \$174.3 million through MAP to 68 organizations and cooperatives, while the FMD program will receive \$27 million across 20 trade organizations.

Taxes - A bipartisan proposal between leaders of the House and Senate Ways and Means Committees would raise limits on the IRS Section 179 expensing law and restore the so-called bonus depreciation provision to 100%. Both provisions can be used by farmers to reduce the cost of equipment and machinery. Under the current law the bonus depreciation benefit has dropped from 100% to 80% of the purchase price in 2023 and is scheduled to fall to 60% this year, 40% in 2025 and 20% in 2026 before ending in 2027. Under the proposal, bonus depreciation would stay at 100% but expire at the end of 2025 in alignment with other tax provisions from the 2017 Tax Cuts and Jobs Act (TCJA). The proposal would raise the 179 expensing limit to \$1.29 million (currently \$1.16 million) and increase the phaseout threshold to \$3.22 million (currently \$2.9 million), with both indexed to inflation. Section 179, was already made permanent under the TCJA.

Border Security and Supplemental Spending- The senate released a \$118 billion supplemental spending package that includes border security measures as well as aid for Israel and Ukraine. Among other things, the border security measures overhaul the asylum process and provide new emergency authority to the Department of Homeland Security. House leadership has been critical of the package. In a counter to the Senate legislation, Speaker Johnson announced the House will vote on a \$17 billion supplemental spending bill that's focused solely on aid to Israel.

Foreign Farmland Ownership - House Ag Committee Chairman Glenn Thompson and Oversight and Accountability Chair James Comer say they're looking into potential "legislative vehicles" for addressing shortfalls in USDA's tracking of foreign land ownership. A new report from the Government Accountability Office says among the things that USDA staff fail to "sufficiently verify" is the accuracy of foreign land ownership data, and they are slow to share that information with the Committee on Foreign Investment in the United States.

Trade- South Dakota GOP Sens. Mike Rounds and John Thune are calling on Agriculture Secretary Tom Vilsack to begin the "tedious work" of updating trade agreements to allow poultry and egg farmers to treat their birds for Highly Pathogenic Avian Influenza. While the Agricultural Research Service is currently testing HPAI vaccines, trade agreements would need to be changed in order for vaccinated birds to be exported to other countries. In a letter, the senators are asking Vilsack to "work proactively" with U.S. Trade Representative Katherine Tai to "resolve potential trade disputes" over a vaccine.

Ohio Policy Updates

Legislative Activity- A number of bills the Ohio Soybean Association is advocating on are set to see action in legislative committees this month.

- Changes are being made to a bill dealing with reform to Ohio's **eminent domain** law (HB 64). OSA voiced support for the bill when it was introduced and will be reviewing changes being proposed by legislators.
- A bill to provide a tax credit for the retail sale of **ethanol** (HB 324) could be voted out of committee soon. OSA is supporting this bill.
- Changes to the current process for certifying **grain testers** at elevators (HB 328) is also slated to see legislative action in the House State and Local Government Committee. OSA has been working with legislators to ensure there is a process for ensuring grain testers are trained and highly qualified.
- A bill to clarify the law around the use of the **agricultural sales tax exemption** for ATVs, UTVs, compact tractors and trailers is set to have more hearings in front of the House Ways and Means Committee (see more below).

Taxes - State Rep. Don Jones has introduced HB 347, which would create clarity around the ability to apply the Ohio Agricultural Sales Tax Exemption to trailers, ATVs and UTVs. The Ohio Soybean Association is supporting this legislation. Current law already provides for the sales tax exemption but does not provide a list of eligible products, rather relies on a declaration by the purchaser that the product will be used primarily for farming activities. Since trailers, ATVs and UTVs have many uses, there has been ongoing dispute as to whether the exemption can be applied to those products. HB 347 creates a legal presumption that these items will be used primarily for farming if the purchaser is a farmer. Under the bill, the purchaser would need to provide copies of their past three IRS Schedule F documents to qualify.

Taxes- The Joint Committee on Property Tax Review & Reform has now met twice in Columbus. In its first meeting, the panel received an overview on the history of the state's property tax structure from the Legislative Service Commission and the Department of Taxation. For its second meeting the committee took a deep dive look at the state's current structure from representatives of the County Auditors' Association of

Ohio and the Board of Tax Appeals. Athens County Auditor including mention of CAUV in her testimony stating that the program serves to reduce revenues to local governments which impacts services, shifts tax burden to residential rate payers and mitigated the idea that the program is intended to keep land in agricultural production by avoiding land being valued at its development potential. OSA will be engaging the committee to ensure its members have a true and accurate understanding of the program. The committee has a Dec. 31 deadline for making recommendations to overhaul the state's property tax system.

State Fair and Expo - Gov. Mike DeWine has named Adam Heffron, currently director of the Alliant Energy Center in Madison, Wisconsin to be the next executive director of the Ohio Expo Center and State Fair. Adam Heffron will succeed outgoing director Virgil Strickler, who announced his retirement last year after 30 years with the fair. Herron currently oversees a multi-building entertainment venue on 164 acres that hosts expositions, conventions, conferences and more. The facilities include a Veterans Memorial Coliseum that holds more than 10,000 people, a 255,000 square foot exhibition hall and pavilions totaling 290,000 square feet. He spent nearly four years as a sales director at the Ohio Expo Center and State Fair before departing the state for stints with state fairs in Minnesota, Wisconsin and as chief operating officer in Washington.