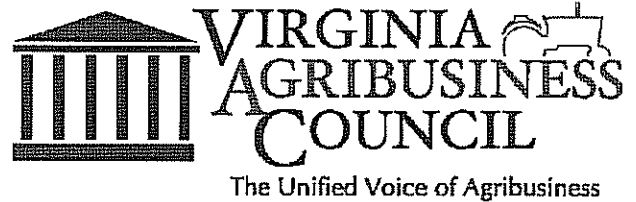


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September 25, 2014

The Honorable Jeffrey L. McWaters
Chair, Joint Subcommittee to Evaluate Tax Preferences
1207 Laskin Road
Virginia Beach, VA 23451

Dear Senator McWaters:

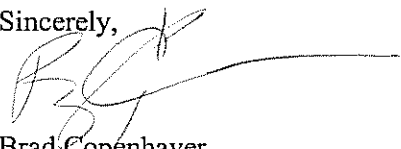
I am submitting these comments on behalf of the Virginia Agribusiness Council in support of Virginia's land preservation tax credit (LPTC). The Council represents around 40,000 farmers and agribusinesses around Virginia, including farmers and forest landowners who are currently benefiting or may benefit in the future from the LPTC. I hope that it would be the recommendation of the Joint Subcommittee to Evaluate Tax Preferences to continue this important tool.

As agriculture and forestry remain by far the Commonwealth's largest industries, protecting and preserving working farms and forestlands is of paramount importance, and the Council believes the LPTC is one of many important tools that farmers can utilize to achieve this goal. According to the U.S. Department of Agriculture's (USDA) 2012 Census of Agriculture, there are 8.3 million acres of land in Virginia as working farms, which is down from nearly 13.5 million acres in 1960 and a loss of 5.2 million acres in just over 50 years. Furthermore, productive farms and forestlands not only produce goods and create jobs, but they also form a strong tax base for localities while requiring very little in the form of services from those same localities.

The first two conservation purposes outlined in the statute for the LPTC are for (1) agricultural use and (2) forestal use. Virginia's land trusts have been active in pursuing productive lands for perpetual easements, and many Council members have voluntarily placed their property into easements to ensure the continued use of that land for the next generation. The LPTC not only helps compensate landowners for the market value loss for the use of their property, but the transferability of the LPTC can help bring capital back into the farm that will be reinvested in the business, thus allowing the purchase of more equipment, fertilizer, and other inputs that stimulate the local economy. The flexibility of this particular tax credit has the capability of being an economic driver for Virginia agribusinesses while still remaining a key factor behind the land conservation successes Virginia has realized to date.

Both the 2011 and 2012 Joint Legislative Audit and Review Commission (JLARC) studies recognized the current LPTC as an efficient way to permanently preserve land in Virginia. By capping the LPTC at \$100M, the Commonwealth maintains the ability to effectively monitor the implementation of the tax credit. The Council asks that you continue to support the LPTC and the option it gives farmers and foresters in permanently protecting their land.

Sincerely,



Brad Copenhaver
Director of Government Affairs

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