



# NEWS RELEASE

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## **VENEMAN SAYS THE PRESIDENT'S JOBS AND ECONOMIC GROWTH PLAN WILL SAVE FARM FAMILIES \$4 BILLION IN 2003**

### ***Announces \$327 Million in Rural Economic Growth and Infrastructure Investment Programs***

WASHINGTON, March 6, 2003—Agriculture Secretary Ann M. Veneman today discussed the importance of President Bush's jobs and economic growth plan to America's farmers and ranchers. Veneman said the President's plan would save farm families \$4 billion in taxes for 2003 and urged the Congress to act quickly on its passage.

"The President's proposal would provide \$4 billion in tax savings this year for farm families throughout the country," said Veneman. "Strengthening this nation's economy by creating jobs, encouraging consumer spending and promoting savings and investment is a top priority for the President. Quick passage of his plan will give an important economic boost to America's farmers and ranchers."

### **\$4 Billion in Savings for Farm Families in 2003:**

Veneman outlined aspects of the President's jobs and economic growth plan and its benefits to America's farm sector during a briefing with farm reporters from USDA's radio broadcast studios, where she was joined by Keith Collins, the Department's Chief Economist.

Key measures of the President's plan that would help farm and ranch families include:

- Save farm families about \$2.3 billion in 2003 by accelerating tax relief due to take effect in 2004 and 2006 retroactive to Jan. 1, 2003.
- Save one-third of all farmers, including over half of all farmers over 65, an average of \$1,600 each by ending taxation on dividend payments that already have been taxed at the corporate level. This would save approximately \$1.3 billion for farm families in 2003.
- Ease the total tax burden for farmers and ranchers by ending the marriage penalty in 2003 instead of 2009, as currently scheduled. About one-half of all tax returns filed by farm households are by sole proprietors who are married, file jointly and use the standard deduction.

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- Reduce income and self-employment taxes farm families pay by over \$750 million by increasing small business expensing to cover 90 percent of all investment in farm machinery and equipment. Ninety-seven percent of all farmers who purchase machinery will be able to deduct their entire investment, simplifying the record keeping for depreciation of capital purchases.
- Increase the Alternative Minimum Tax exemption – which impacts more farmers than other taxpayers – by up to \$8,000.

The President’s plan would also aid farm and ranch families by accelerating reductions in marginal tax rates, increasing the child tax credit, boosting off-farm employment in the rural sector, and increasing demand for U.S. agricultural exports by growing both the American and international economies. A complete fact sheet on the benefits of the President’s plan, prepared by USDA’s Office of the Chief Economist, is available at [www.usda.gov](http://www.usda.gov).

**\$327 Million for Economic Investment in Rural Communities:**

Secretary Veneman also announced that USDA is making \$327 million in loans and grants available to rural communities to help in that regard. Specifically these resources will be used to strengthen distance learning and telemedicine (DLT) programs that serve rural America.

“This Administration continues to examine ways to strengthen economic development and investment in America’s rural communities,” said Veneman. “These resources will provide important economic and infrastructure funding that will enhance the quality of life and provide more economic opportunities for families living in rural communities.”

Telemedicine technology makes it possible for doctors to examine and direct the treatment of patients without being physically present. The distance learning program finances equipment to expand educational resources to students and educational institutions in isolated rural areas.

Information on the Distance Learning and Telemedicine Program for 2003 is available at <http://www.usda.gov/rus/telecom/dlt/dlt.htm>. Included at this site are grant and loan application guides, deadlines for application, and the Federal Register Notice. Loan and loan-grant combination applications will be processed on a first-come, first-served basis.

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