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*House of Representatives*  
COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

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## MEMORANDUM

**DATE:** January 10, 2011

**FROM:** Representative Gordon R. Denlinger 

**TO:** All House Members

**SUBJECT:** Reintroduction of Legislation  
(**Prior HB 1291** – Agricultural Capital Investment Tax Credit)

In the near future I will be re-introducing legislation to create the **Agricultural Capital Investment Tax Credit Program**, "AG-INVEST." This legislation will create a program designed to stimulate private sector capital investment in modernizing farms in the Commonwealth by offering a tax credit of 25% of the costs associated with modernization or expansion of our farm infrastructure. Tax credits would be capped at \$250,000 per farm with a total of \$50 million in tax credits available in each of the next 5 fiscal years.

Over 58,000 farms in Pennsylvania's generate more than \$4.9 billion in cash farming receipts annually. The value of this raw food and fiber then increases many times, generating additional jobs, value and economic activity as it moves through the marketplace.

However, many of these farms have aging facilities, with many barns and other structures more than 50 years old still being used today. Modernizing these facilities to take advantage of the latest and most efficient technology, to minimize energy use and to take advantage of opportunities to generate alternative energy, is extremely expensive. This type of investment is, however, essential order for our farms to remain viable in an increasingly competitive market.

By providing the tax credit incentive, "AG-INVEST" would encourage agricultural producers to significantly invest their own funds in their operations and in the state's agricultural industry. Additionally, this type of investment would have significant indirect benefits to the state by:

- strengthening rural economies by increasing locally generated revenue and expanding the local job base on farms and in related support businesses;

- adding significant dollars to the state's overall economy since Pennsylvania is an exporter of many agricultural products
- helping to maintain a reliable local source of food and fiber;
- encouraging the next generation of farmers to remain involved with family-owned businesses on family-owned farm

If you are interested in co-sponsoring this "AG-INVEST" legislation please contact Jessica Murphy in my office via e-mail at [jlmurphy@pahousegop.com](mailto:jlmurphy@pahousegop.com)

Previous Cosponsors: DENLINGER , BAKER , BARRAR , BEAR , BENNINGHOFF , BOBACK , BOYD , BROOKS , CAUSER , CLYMER , COX , CREIGHTON , CUTLER , DAY , ELLIS , EVERETT , FLECK , GABIG , GABLER , GEIST , GIBBONS , GILLESPIE , GINGRICH , GRELL , GROVE , HARHAI , HARHART , HARRIS , HENNESSEY , HESS , HICKERNELL , KAUFFMAN , M. KELLER , KORTZ , KRIEGER , LONGIETTI , MAJOR , MARSHALL , MARSICO , MENSCH , METCALFE , METZGAR , MILLARD , MILLER , MOUL , MURT , O'NEILL , PAYNE , PEIFER , PHILLIPS , PICKETT , PYLE , RAPP , REED , REESE , REICHLEY , ROAE , ROCK , ROHRER , SAINATO , SAYLOR , SIPTROTH , STERN , STEVENSON , SWANGER , TALLMAN , TURZAI , VULAKOVICH , WATSON and WHEATLEY