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Submitted by: Henry N. Talmage, Executive Director, Connecticut Farm Bureau Association, a statewide nonprofit membership organization representing 4,000 families dedicated to farming and the future of Connecticut agriculture.

Senator Fonfara, Senator Frantz, Representative Rojas and members of the Finance, Revenue and Bonding Committee,

Testimony in support of:

Senate Bill No. 5 AN ACT INCREASING THE ESTATE TAX EXEMPTION.

House Bill No. 58 AN ACT REPEALING THE ESTATE TAX.

House Bill No. 62 AN ACT REPEALING THE GIFT TAX.

House Bill No. 6358 AN ACT EXEMPTING FAMILY-OWNED FARMLAND FROM THE ESTATE AND GIFT TAXES.

Because of high farmland prices, Connecticut farm families often find themselves subject to significant estate tax liability upon the death of the family farm owner. This is especially true if the loss comes unexpectedly or before the family has had time to implement often complicated and expensive farm transition plans. Connecticut's current Estate Tax exemption of only \$2 million (compared to the Federal exemption of over \$5 million) only exacerbates the problem. Too many Connecticut farms are lost to development because the heirs must sell the family farm in order to pay the estate taxes.

Therefore Connecticut Farm Bureau supports both House Bill No.58 AN ACT REPEALING THE ESTATE TAX and House bill No.62 AN ACT REPEALING THE GIFT TAX. Alternatively we support Senate Bill No. 5 AN ACT INCREASING THE ESTATE TAX EXEMPTION which would increase the Connecticut estate tax exemption to match the federal exemption and thus reduce the estate tax burden.

The Connecticut Farm Bureau also enthusiastically supports House bill No, 6358 AN ACT EXEMPTING FAMILY-OWNED FARMLAND FROM THE ESTATE AND GIFT TAXES. This Bill would allow families to avoid the estate tax trap listed above and use gifting of farmland to allow for more successful farm transitions to the next generation and keep more of our precious farmland in production.