

Fifty-seventh  
Legislative Assembly  
of North Dakota

**SENATE CONCURRENT RESOLUTION NO. 4005**

Introduced by

Legislative Council

(Taxation Committee)

A concurrent resolution urging Congress to reduce or eliminate capital gains taxes on inflationary valuation increases of farm and ranch property.

**WHEREAS**, although the objective of the capital gains tax is to tax income from investments, for many Americans the tax can be one hundred percent or more of any real increase in value of property because capital gains are not discounted for inflation; and

**WHEREAS**, Congress has already recognized the unfairness of taxing inflationary increases as income by providing for indexing of income tax rate brackets, standard deductions, personal exemptions, and the earned income credit; and

**WHEREAS**, the unfairness of taxing inflationary valuation increases can be devastating to owners of property held for a long period of time, such as family farm and ranch property, for which a valuation increase may be almost entirely attributable to inflation, with little or no real gain in value relative to the rest of the American economy; and

**WHEREAS**, imposition of capital gains taxes on inflationary valuation increases for farm and ranch property serves as an impediment to retirement for farmers and ranchers, further inflates the value of farm and ranch property, and makes acquisition of property much more difficult for the next generation of farmers and ranchers;

**NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF NORTH DAKOTA, THE HOUSE OF REPRESENTATIVES CONCURRING THEREIN:**

That the Fifty-seventh Legislative Assembly urges the Congress of the United States to reduce or eliminate capital gains taxes on inflationary valuation increases of farm and ranch property; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution to the chairman of the United States House of Representatives Ways and Means Committee, the chairman of the United States Senate Finance Committee, and to each member of the North Dakota Congressional Delegation.