

Fifty-seventh
Legislative Assembly
of North Dakota

SENATE CONCURRENT RESOLUTION NO. 4005

Introduced by

Legislative Council

(Taxation Committee)

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

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

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

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

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

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

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

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