

DOC HASTINGS

4TH DISTRICT, WASHINGTON

**COMMITTEE ON STANDARDS
OF OFFICIAL CONDUCT**
RANKING REPUBLICAN MEMBER

COMMITTEE ON RULES

**SUBCOMMITTEE ON RULES
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RANKING REPUBLICAN MEMBER



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Congress of the United States

House of Representatives

March 15, 2007

Internal Revenue Service
Office of the Associate Chief Counsel
CC: TEGE
1111 Constitution Ave., NW
Room 4000
Washington, D.C. 20224
Attn: Elliot Rogers

To Whom It May Concern:

I am writing to express my concerns with Notice 2006-108, the Application of the Self-Employment Contributions Act (SECA) tax to payments made by the U.S. Department of Agriculture (USDA) under the Conservation Reserve Program (CRP).

I represent an area that is one of the premier agricultural production regions of the country. We produce a wide variety of commodities, from fruits and vegetables to grain and livestock. Agriculture is the largest overall employer in the state and it is the backbone of the economy for dozens of communities throughout Central Washington.

For many farmers, the CRP has been an important conservation tool to help manage their operations and reduce soil erosion on marginal lands. Through the CRP farmers receive annual rental payments and cost-share assistance to establish long-term resource conserving covers on eligible farmland. Many times, CRP is a valuable option for farmers, under pressure from increased production costs and lower prices for their crops, who do not want to be forced into putting marginal or environmentally sensitive cropland into production. This is a goal that has been reaffirmed by the Congress multiple times since the program was established in the 1985 Farm Bill.

I am concerned with the IRS's proposal to impose the 15.3 percent self-employment tax on all participants in CRP, including active and retired farmers and producers. I believe this issue should be addressed in the context of the Farm Bill, which is due to be renewed this year. A significant agricultural policy change, which this would be, should not be advanced administratively without a concerted effort being made to engage rural communities in a discussion of the issue.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Doc Hastings".

Doc Hastings
Member of Congress