

I'd like to welcome Minnesota's farm broadcasters from all over the state to St. Paul. Thanks for allowing me to share "National Agriculture Day" with you.

Today is a day to celebrate Minnesota agriculture's contributions to our economy and to our way of life.

Minnesota agriculture competes today on a fiercely competitive world stage, where costs and efficiencies will make or break you. As Governor, I want to make sure that our farmers can compete in today's global economy.

I've said before that government can't do much about the price of crops, but we can improve Minnesota's agricultural competitiveness by reducing input costs.

My tax reform plan does just that. I'm talking about \$64 million of PERMANENT tax relief per year, including property taxes and sales taxes, for Minnesota's farmers. Compare this to past years when the state has given ONE-TIME disaster payments of about that same amount. My plan provides relief from year to year, regardless of the weather, prices or other factors you nor I can control.

Farmers would be among the biggest winners in my tax reform proposal. My plan reduces property taxes on farmland by \$62 million and makes all farmland exempt from the state general fund levy and voter-approved operating levies. Farmers would benefit from an average reduction of 23 percent for farm homesteads and 18 percent for farm nonhomestead land.

My sales tax reform plan gives farmers \$2.7 million back in the form of new exemptions on farm machinery and other equipment, and lowers the sales tax rate from 6.5 percent to 6 percent.

As you know, I am proposing to bring the tax system in line with today's service-driven economy. This means that many services that are not taxes today would be taxed. But for the farm sector, my plan provides exemptions for services used in agriculture production.

I need you help in getting the word out about this proposal and how it can help farmers. Farmers need to be telling their legislators that Minnesota farmers want and need PERMANENT relief NOW.