

The McGregor Company Newsletter

The Team You Can Count On For Higher Yields & Cleaner Fields

February 2010

Action Needed!

The State Senate came out with their proposed budget today and it is **bad news** for agriculture. Senate Bill 6873 eliminates the sales tax exemption for all fertilizer and chemical purchases unless they are certified organic products. Net result if this stands? **An average of an eight percent hike in the cost of nutrients and crop protection products. Please contact as many legislators as possible and let them know farm families cannot afford to have a huge portion of a financial bailout for state government thrown on their backs!** If you know of a legislator from an urban area and you'd like to bring them up to speed, this would be a good time to do so. Our eastern Washington legislators from farm country would, of course, appreciate hearing from you. **Links & phone numbers are listed below.** We need the help of all Washington growers and all of us who serve them.

Sales Tax Exemption Could Disappear:

Farmers have been exempt from paying sales tax on all fertilizers and chemicals since way back in 1943. Fertilizer or spray materials aren't considered "finished products"-they're used to help create a crop and, ultimately, foodstuffs. It is the same reason Boeing is not charged sales tax on aluminum or other component parts of airplanes. Chemicals and fertilizers are tools used by our largest and most important business-agriculture-and the farm families who are Washington agriculture cannot afford this blast from across the Cascades!

Added Tax & Repeal of Trade-In Allowances:

There are a couple other zingers in the budget, too -- a near tripling of the "hazardous substance" tax, from 0.7% to 2.0%. It'd add a nickel a gallon to the cost of fuel for all Washingtonians. **It would also add to the costs of many fertilizers and farm chemicals.** The Senate budget doesn't include this tax increase but five Senate budget leaders haven't declared it off the table. "We're still discussing it," says Senate Majority Leader Lisa Brown (D-Spokane), who described herself as an "advocate" for the tax increase. There is also a **proposed repeal of trade in allowances** - consider the devastating effect that could have on needed farm machinery and farm vehicle purchases.

But Number #1 priority right now must be to keep the farm sales tax exemption on all fertilizer and chemical purchases. Losing it would be a hardship for Washington growers that those from other states don't have to bear. Losing the exemption would mean a huge cost for agriculture that we would not be able to pass along to the consumers of the crops we grow.

This issue requires urgent action by all of us RIGHT NOW. I encourage each and every grower we serve, and each and every McGregor employee, to **contact legislators in Olympia and let them know what an awful idea this is!** We can stop this if each and every one of us acts NOW.

PLEASE CALL OR E-MAIL AS MANY WASHINGTON LEGISLATORS AS POSSIBLE TO LET THEM KNOW WHAT AN 8% SALES TAX WOULD MEAN TO FARMERS AND THE AGRICULTURAL COMMUNITY!

To contact legislators [CLICK HERE](#) You can also leave a telephone message for legislators at 1-800-562-6000.

If the link does not work, copy and paste the following path into your web browser:

<http://apps.leg.wa.gov/DistrictFinder/Default.aspx>

Or, if you're like me in not being that computer savvy, call Linda Becker, Leslie Hammer or me at 800-873-8666 and we'll help.

Thanks for taking the time to make a difference on this urgent matter.

Respectfully, Alex McGregor