

Comments of Chris Hopkins, Toombs County Farmer  
to the  
Special Council on Tax Reform & Fairness for Georgians  
Fact Finding Session  
Coastal Georgia Center Auditorium  
Savannah, Georgia  
August 31, 2010

My name is Chris Hopkins, and I am a farmer from Toombs County. I am a board member and young farmer chairman for the Toombs County Farm Bureau. I also serve on the board of the Ochoopee River Soil & Water Conservation District.

Our 400 acre farm is located about 13 miles south of Lyons, and we grow cotton, peanuts, wheat, and watermelons. I live with my wife Marilynn, and our one-year old son, Banks. We are somewhat unusual in that we started our farm about six years ago from scratch without an inheritance. I am also the store manager for Lasseter Implement Company, the local John Deere farm equipment dealer in Lyons.

I appreciate the opportunity to comment about the work of the Special Council. It speaks well of this Council to be willing to hold public hearings across the state to consider the various points of view related to Georgia's tax structure. We are all grateful for your openness.

Sales taxes are of particular interest for me because of how they affect my business, both on the farm and the farm equipment business. Most farm input costs have not been subject to sales tax in my lifetime. If sales taxes were extended to farm inputs, the increased taxes would have a significant and detrimental effect on my livelihood. It would also negatively impact the agribusinesses that are dependent on farm production.

Last year, the following input costs were associated with my farm.

Fertilizer	\$55,000
Equipment	\$52,000
Seed	\$48,000
Chemicals	<u>\$31,000</u>
Total	\$186,000

If these costs were subject to a 7 percent sales tax, our farm would be required to pay \$13,020 in additional taxes per year! I am unsure how I would meet an additional cash expense of that magnitude.

Lasseter Implement Company would also be negatively impacted if farm equipment became subject to sales taxes. A sales tax on farm equipment would put our company at a competitive disadvantage because neither South Carolina nor Florida charges sales tax on farm equipment. A John Deere Model 7830 farm tractor sells for around \$122,500. The tax savings, \$8575, would be significant enough for prospective buyers to go out of state to make large farm equipment purchases.

Lasseter Implement Company also works with farmers through a program called the "annual roll." We trade with a customer on a predetermined flat rate to trade old equipment each year. Some of these deals exceed \$1 million annually. A \$70,000 sales tax on farm equipment would totally negate any savings realized by the farmer and would dry up the program.

In both these scenarios, there would be ripple effects throughout our local economy. On my farm, we hire two part-time employees and several seasonal workers. We buy fertilizer and chemicals from the local dealer which has 10 full time employees. Lasseter Implement Company provides jobs for 13 people at the Lyons store.

All of these people are productive citizens working in agribusiness. I urge you to consider all the ramifications that follow a significant increase in taxes on farmers. Farmers have little opportunity to pass on their costs, so the only options are to absorb the additional taxes or reduce operations.

This Council has a very difficult job ahead as it struggles to make recommendations for improving Georgia's tax code. As you consider all the options, I urge you to be especially careful that new taxes do not injure businesses that are already providing jobs for Georgians.

Thank you for your willingness to listen to my concerns.

Sincerely,

Chris Hopkins  
592 John Dasher Road  
Lyons, Georgia 30436