

Comments of Leighton Cooley, Crawford County Farmer  
to the  
Special Council on Tax Reform & Fairness for Georgians  
Fact Finding Session  
Macon State College Professional Sciences Conference Center  
Macon, Georgia September 2, 2010

My name is Leighton Cooley, and I am a farmer from Crawford County, Georgia. I grew up on our family farm. Today, I farm with my father, Larry Cooley. Our farm consists of 18 chicken houses and 100 commercial beef cattle. We also raise hay.

My wife, Brenda, and I reside in Roberta, and we recently had our first child. Our son, Lawson, was born in July, and we are looking forward to raising him on the farm.

I am a member of the Crawford County Farm Bureau, and I currently serve as Vice President of that organization. In 2008, I served as chairman of the Georgia Farm Bureau Young Farmer Committee, and I am currently serving as a member of the Young Farmer & Rancher Committee of the American Farm Bureau Federation. At every level, the purpose of Farm Bureau is to be the "Voice of Agriculture," and I am proud to be affiliated with the organization.

Thank you for holding this public hearing. You have a big job ahead of you as you recommend changes to Georgia's tax code. Every change you recommend will affect some segment of our economy, often in ways we do not anticipate. Hearing the views of the various stakeholders is a good starting point, and I appreciate your openness to hearing our views.

The sales tax is a major source of state revenue, so it is important that you consider it in your deliberations. As you study the various sales tax exemptions, please keep in mind that productivity is the key part of any economy, and it is important that Georgia not tax productive activity. Taxing production inputs would be a disincentive to production, whether it is manufacturing, farming, or any other enterprise.

Subjecting farm inputs to sales taxes would be bad for Georgia agriculture, and it would be bad for our farm. I have taken some average annual numbers for our farm to demonstrate this point. The items below are farm inputs that are not currently subject to sales taxes.

<u>Poultry Operation</u>		
<u>Item</u>	<u>Annual Cost</u>	<u>7% Sales Tax</u>
Propane	\$ 58,500	\$ 4,095
Electricity	\$ 54,000	\$ 3,780
Equipment	\$ 24,000	\$ 1,680
Health Supplies	\$ 15,750	\$ 1,102
<u>Beef Cattle Operation</u>		
Equipment	\$ 25,000	\$ 1,750
Fert/Chemicals	\$ 14,500	\$ 1,015
Feed	\$ 5,000	\$ 350
Seed	\$ 4,000	\$ 280
<b>TOTAL</b>	<b>\$200,750</b>	<b>\$ 14,052</b>

If our farm inputs are made subject to sales tax collections, it will put an additional cash expense of over \$14,000 each year! That expense is before we pay any bills, before we produce any product, before we pay any employees, before we pay other taxes. If farmers pay sales taxes on input costs, those sales taxes themselves would become a substantial input cost. Clearly, that is a disincentive to production and counterproductive to what the tax code is trying to do – to boost production and thereby increase tax revenue.

While my family makes a direct living off this farm, many other people are affected by our production. Poultry is the largest segment of Georgia agriculture, and it employs thousands of people statewide. The industry includes everything from processing to feed production to engineering and manufacturing of equipment to building poultry houses. But the one thing it all depends upon is the local grower who is willing to put up his own money on his own land to build and maintain chicken houses.

Please consider these points when you look at sales taxes and exemptions. Thank you for listening to my concerns.

Sincerely,

Leighton Cooley  
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Roberta, Georgia