

Let's not tax well-managed farmland; it already pays its way

By Robert N. Whitescarver

“Well-managed” farmland and other working open spaces should not be taxed. These landscapes provide more services for the public than they receive from the public.

In many states, including the Chesapeake Bay states, local governments already recognize the value of open lands and tax them at a lower rate using an approach often called “land-use” taxation.

This is a method of calculating a tax based on how land is used and the productivity of the soil. It is very beneficial for farmers because it taxes them for their pasture, cropland and forests at a very modest rate. Many think this is a tax break for farmers, but I believe these land uses, if managed well, shouldn't be taxed at all.

Farmers are still taxed, just like everyone else, for their residences, barns, outbuildings and tenant houses. That's fair. The lands that shouldn't be taxed are the open spaces that are used for pasture, cropland, forests or other working landscapes. These provide ecosystem services — services nature does for us that we rarely put a value on, such as clean water, nutrient cycling, plant pollination, control of climate, wildlife and beautiful vistas.

Now, just for the record, there are “open spaces” receiving the benefits of land use taxation that, in my opinion, shouldn't. These are lands that pollute streams and degrade the soil as well as those that have been retired from food and fiber production and developed into large manicured lawns with big houses.

Large lot residences are the costliest of all land uses. They fail to pay the cost of the public services they demand. There are countless “cost of community services” studies proving that for every dollar in revenue a locality receives from a large lot residence, it spends more than a dollar to provide public services such as water, sewer, police, roads, garbage pick-up and so on.

On the other hand, well-managed farms provide far more ecosystem services to the public than they receive in public services. The soil beneath the open space is the regulator of the hydrologic cycle. It's the carbon filter for our groundwater. Without this groundwater recharge area, we would have no groundwater. These farms build healthy soil. They don't have livestock in the streams and there are vegetated buffers along the streams so nutrients are not leaching into the groundwater or washing into the streams.

Our current economy does not factor in the value of most ecosystem services.

Healthy soil can store a lot of carbon. Many sources say at least twice what plants can sequester. Farmland provides wildlife habitat and pollinator corridors. Farms with riparian forest buffers supply clean water downstream. Streams with native trees along their banks are much more capable of detoxifying themselves than streams with no trees. Farmland provides amazing viewsheds that help drive the tourist industry.

What are all these ecosystem services worth? I purport that it is more than these landscapes receive from the locality in the form of services.

Do the cows get on the school bus? Does the land require garbage pickup or police protection? Does the land require public roads? Does the land require public water and sewer.

On the contrary. That land provides us with water. The fence along the stream and that watering trough for the cows is much cheaper than a sewage treatment plant that would have to be built if the farmer sold that land for development.

Here's a proposal. Let's let landowners decide which path to take. If they have well-managed farmland, let society pay them for the ecosystem services they provide. If they don't have a well-managed farm, let's help them get there. And for those few that don't want to have a well-managed farm — let them pay the price of their land use.

Hugh Hammond Bennett, the father of soil conservation in the United States, said, "Society as a whole benefits from good land use; therefore, society as a whole should help pay for it."

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