

**AMENDMENT TO H.R. 1947, AS REPORTED
OFFERED BY MR. FORTENBERRY OF NEBRASKA**

Strike section 1603 and insert the following new sections:

1 SEC. 1603. PAYMENT LIMITATIONS.

2 (a) IN GENERAL.—Section 1001 of the Food Security
3 Act of 1985 (7 U.S.C. 1308) is amended—

4 (1) in subsection (a), by striking paragraph (3)
5 and inserting the following:

6 “(3) LEGAL ENTITY.—

7 “(A) IN GENERAL.—The term ‘legal entity’
8 means—

9 “(i) an organization that (subject to
10 the requirements of this section and sec-
11 tion 1001A) is eligible to receive a pay-
12 ment under a provision of law referred to
13 in subsection (b), (c), or (d);

14 “(ii) a corporation, joint stock com-
15 pany, association, limited partnership, lim-
16 ited liability company, limited liability
17 partnership, charitable organization, es-
18 tate, irrevocable trust, grantor of a rev-

1 ocable trust, or other similar entity (as de-
2 termined by the Secretary); and

3 “(iii) an organization that is partici-
4 pating in a farming operation as a partner
5 in a general partnership or as a participant
6 in a joint venture.

7 “(B) EXCLUSION.—The term ‘legal entity’
8 does not include a general partnership or joint
9 venture.”;

10 (2) by striking subsections (b) through (d) and
11 inserting the following:

12 “(b) LIMITATION ON PAYMENTS FOR COVERED COM-
13 MODITIES AND PEANUTS.—The total amount of payments
14 received, directly or indirectly, by a person or legal entity
15 for any crop year for 1 or more covered commodities and
16 peanuts under title I of the Federal Agriculture Reform
17 and Risk Management Act of 2013 may not exceed
18 \$125,000, of which—

19 “(1) not more than \$75,000 may consist of
20 marketing loan gains and loan deficiency payments
21 under subtitle B of title I of the Federal Agriculture
22 Reform and Risk Management Act of 2013; and

23 “(2) not more than \$50,000 may consist of any
24 other payments made for covered commodities and

1 peanuts under title I of the Federal Agriculture Re-
2 form and Risk Management Act of 2013.

3 “(c) SPOUSAL EQUITY.—

4 “(1) IN GENERAL.—Notwithstanding subsection
5 (b), except as provided in paragraph (2), if a person
6 and the spouse of the person are covered by para-
7 graph (2) and receive, directly or indirectly, any pay-
8 ment or gain covered by this section, the total
9 amount of payments or gains (as applicable) covered
10 by this section that the person and spouse may
11 jointly receive during any crop year may not exceed
12 an amount equal to twice the applicable dollar
13 amounts specified in subsection (b).

14 “(2) EXCEPTIONS.—

15 “(A) SEPARATE FARMING OPERATIONS.—

16 In the case of a married couple in which each
17 spouse, before the marriage, was separately en-
18 gaged in an unrelated farming operation, each
19 spouse shall be treated as a separate person
20 with respect to a farming operation brought
21 into the marriage by a spouse, subject to the
22 condition that the farming operation shall re-
23 main a separate farming operation, as deter-
24 mined by the Secretary.

1 “(B) ELECTION TO RECEIVE SEPARATE
2 PAYMENTS.—A married couple may elect to re-
3 ceive payments separately in the name of each
4 spouse if the total amount of payments and
5 benefits described in subsection (b) that the
6 married couple receives, directly or indirectly,
7 does not exceed an amount equal to twice the
8 applicable dollar amounts specified in those
9 subsections.”;

10 (3) in paragraph (3)(B) of subsection (f), by
11 adding at the end the following:

12 “(iii) IRREVOCABLE TRUSTS.—In pro-
13 mulgating regulations to define the term
14 ‘legal entity’ as the term applies to irrev-
15 ocable trusts, the Secretary shall ensure
16 that irrevocable trusts are legitimate enti-
17 ties that have not been created for the pur-
18 pose of avoiding a payment limitation.”;

19 and

20 (4) in subsection (h), in the second sentence, by
21 striking “or other entity” and inserting “or legal en-
22 tity”.

23 (b) CONFORMING AMENDMENTS.—

24 (1) Section 1001 of the Food Security Act of
25 1985 (7 U.S.C. 1308) is amended—

1 (A) in subsection (e), by striking “sub-
2 sections (b) and (c)” each place it appears in
3 paragraphs (1) and (3)(B) and inserting “sub-
4 section (b)”;

5 (B) in subsection (f)—

6 (i) in paragraph (2), by striking
7 “Subsections (b) and (c)” and inserting
8 “Subsection (b)”;

9 (ii) in paragraph (4)(B), by striking
10 “subsection (b) or (c)” and inserting “sub-
11 section (b)”;

12 (iii) in paragraph (5)—

13 (I) in subparagraph (A), by strik-
14 ing “subsection (d)”;

15 (II) in subparagraph (B), by
16 striking “subsection (b), (c), or (d)”
17 and inserting “subsection (b)”;

18 (iv) in paragraph (6)—

19 (I) in subparagraph (A), by strik-
20 ing “Notwithstanding subsection (d),
21 except as provided in subsection (g)”
22 and inserting “Except as provided in
23 subsection (f)”;

1 (II) in subparagraph (B), by
2 striking “subsections (b), (c), and
3 (d)” and inserting “subsection (b)”;

4 (C) in subsection (g)—

5 (i) in paragraph (1)—

6 (I) by striking “subsection
7 (f)(6)(A)” and inserting “subsection
8 (e)(6)(A)”; and

9 (II) by striking “subsection (b)
10 or (c)” and inserting “subsection (b)”;
11 and

12 (ii) in paragraph (2)(A), by striking
13 “subsections (b) and (c)” and inserting
14 “subsection (b)”; and

15 (D) by redesignating subsections (e)
16 through (h) as subsections (d) through (g), re-
17 spectively.

18 (2) Section 1001A of the Food Security Act of
19 1985 (7 U.S.C. 1308–1) is amended—

20 (A) in subsection (a), by striking “sub-
21 sections (b) and (c) of section 1001” and in-
22 serting “section 1001(b)”; and

23 (B) in subsection (b)(1), by striking “sub-
24 section (b) or (c) of section 1001” and inserting
25 “section 1001(b)”.

1 (3) Section 1001B(a) of the Food Security Act
2 of 1985 (7 U.S.C. 1308–2(a)) is amended in the
3 matter preceding paragraph (1) by striking “sub-
4 sections (b) and (c) of section 1001” and inserting
5 “section 1001(b)”.

6 (c) APPLICATION.—The amendments made by this
7 section shall apply beginning with the 2014 crop year.

8 **SEC. 1603A. PAYMENTS LIMITED TO ACTIVE FARMERS.**

9 Section 1001A of the Food Security Act of 1985 (7
10 U.S.C. 1308–1) is amended—

11 (1) in subsection (b)(2)—

12 (A) by striking “or active personal man-
13 agement” each place it appears in subpara-
14 graphs (A)(i)(II) and (B)(ii); and

15 (B) in subparagraph (C), by striking “, as
16 applied to the legal entity, are met by the legal
17 entity, the partners or members making a sig-
18 nificant contribution of personal labor or active
19 personal management” and inserting “are met
20 by partners or members making a significant
21 contribution of personal labor, those partners or
22 members”; and

23 (2) in subsection (c)—

24 (A) in paragraph (1)—

1 (i) by striking subparagraph (A) and
2 inserting the following:

3 “(A) the landowner share-rents the land at
4 a rate that is usual and customary;”;

5 (ii) in subparagraph (B), by striking
6 the period at the end and inserting “;
7 and”; and

8 (iii) by adding at the end the fol-
9 lowing:

10 “(C) the share of the payments received by
11 the landowner is commensurate with the share
12 of the crop or income received as rent.”;

13 (B) in paragraph (2)(A), by striking “ac-
14 tive personal management or”;

15 (C) in paragraph (5)—

16 (i) by striking “(5)” and all that fol-
17 lows through “(A) IN GENERAL.—A per-
18 son” and inserting the following:

19 “(5) CUSTOM FARMING SERVICES.—A person”;

20 (ii) by inserting “under usual and
21 customary terms” after “services”; and

22 (iii) by striking subparagraph (B);

23 and

24 (D) by adding at the end the following:

1 “(7) FARM MANAGERS.—A person who other-
2 wise meets the requirements of this subsection other
3 than (b)(2)(A)(i)(II) shall be considered to be ac-
4 tively engaged in farming, as determined by the Sec-
5 retary, with respect to the farming operation, includ-
6 ing a farming operation that is a sole proprietorship,
7 a legal entity such as a joint venture or general
8 partnership, or a legal entity such as a corporation
9 or limited partnership, if the person—

10 “(A) makes a significant contribution of
11 management to the farming operation necessary
12 for the farming operation, taking into ac-
13 count—

14 “(i) the size and complexity of the
15 farming operation; and

16 “(ii) the management requirements
17 normally and customarily required by simi-
18 lar farming operations;

19 “(B)(i) is the only person in the farming
20 operation qualifying as actively engaged in
21 farming by using the farm manager special
22 class designation under this paragraph; and

23 “(ii) together with any other persons in the
24 farming operation qualifying as actively en-
25 gaged in farming under subsection (b)(2) or as

1 part of a special class under this subsection,
2 does not collectively receive, directly or indi-
3 rectly, an amount equal to more than the appli-
4 cable limits under section 1001(b);

5 “(C) does not use the management con-
6 tribution under this paragraph to qualify as ac-
7 tively engaged in more than 1 farming oper-
8 ation; and

9 “(D) manages a farm operation that does
10 not substantially share equipment, labor, or
11 management with persons or legal entities that
12 with the person collectively receive, directly or
13 indirectly, an amount equal to more than the
14 applicable limits under section 1001(b).”.

