Tax law gives unexpected break to farmers who sell to co-ops

MINNEAPOLIS (AP) - Key senators and farm groups are trying to fix a provision in the federal tax overhaul that gave an unexpected tax break to farmers who sell their crops to cooperatives instead of other buyers.

The provision from Republican Sens. John Thune of South Dakota and John Hoeven of North Dakota surfaced in the final days of the debate over the tax bill. Companies that aren't co-ops include local grain companies as well as agribusiness giants such as Cargill and ADM.

The senators say they didn't intend to give co-ops and their farmer-members a competitive advantage over other companies. They say they just wanted to make sure farmers' taxes didn't rise.

But observers say it's not clear if a fix can pass, given the partisan divide on Capitol Hill.

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