

Farm and Ranch Income Tax/Estate and Business Planning Seminar/Webinar, August 2024 (Wyoming)

Schedule

Monday, August 5, 2024 (Day 1) (8 hours)

8:00-8:05 a.m. – Introductions and announcements

8:05-9:35 a.m. – Federal Tax Update (Roger)

- This session includes discussion of important federal tax developments from the past year concerning court cases and IRS administrative pronouncements on such issues as income and deduction items; credits and tax administration; C corporations; S corporations; partnerships; and employment taxation.

9:35-9:45 a.m. – Morning Break

9:45-10:45 a.m. – Deducting Excess (Residual) Fertilizer Supply (Paul)

- Allocating the purchase price to items that will provide a tax deduction is an element of good tax planning when a farm is purchased. One of those items might be excess fertilizer supply. The IRS has requirements that must be satisfied to claim the deduction. This session looks at those elements and walks the practitioner through the proper procedure for documenting and claiming the deduction on the return.

10:45-11:30 a.m. – Farm Bill Update (Paul and Roger)

- The Farm Bill debate has spilled over into 2024. What are the major issues? What tax issues are involving the discussion and how might the debate impact tax planning for farmers? This session

11:30 a.m.-Noon – Beneficial Ownership Information (BOI) Reporting (Roger and Paul)

- A new reporting requirement began in 2024 that will apply to many businesses, including farms and ranches. This session walks through the requirements and the penalties for noncompliance and discusses how the client responsibilities applicable to tax and legal professionals. Also provided will be an update as to the constitutional challenges to the Corporate Transparency Act and the impact on BOI reporting.

Noon – 12:45 p.m. – Luncheon

12:45-1:15 p.m. – Depreciation Planning (Paul)

- Depreciation is one of the largest deductions on a farmer or rancher's return. This session looks at how depreciation fits into the overall tax planning picture of an agricultural

client. Discussed is how bonus and expense method depreciation should be utilized, either together or individually; how the timing of asset purchases impacts depreciation; and other tax impacts of depreciation on a farm/ranch client's tax situation.

1:15-1:45 pm. – Tax Planning (Roger and Paul)

- The possible sunset of the Tax Cuts and Jobs Act at the end of 2025 raises many tax planning issues for taxpayers. This session looks ahead at what provisions will expire or revert to pre-2018 levels and what that means for tax planning.

1:45-2:15 p.m. – How Farmers Might Benefit from I.R.C. §45Z (Paul)

- The Inflation Reduction Act of 2022 focused heavily on providing tax incentive for the adoption and expansion of renewable and alternative energy sources. One of those is the clean fuel production credit. This session looks at how the credit works and how farmers might benefit from it.

2:15-2:35 p.m. – Afternoon Break

2:35-3:15 p.m. – Potpourri (Paul and Roger)

- In this fast-paced session looks at several recurring farm and ranch tax issues. Included in the discussion will be the deferral of crop insurance proceeds; the structuring of and income tax reporting issues associated with deferred payment contracts; paying ag wages in-kind; the line between deductible repairs and expenses that must be capitalized; customer reward programs; and farm program payment reporting issues.

3:15-4:00 p.m. – Conservation Easements (Roger)

- The donation of a permanent conservation easement to a qualified charity can be a good tax move for a rural landowner in the right situation, but the IRS looks at each transaction closely. This session explores the tax and valuation issues associated with an easement donation and a review of the recent relevant litigation.

4:00 p.m. – Adjourn

Tuesday, August 6, 2024 (Day 2) (8 hours)

8:00-8:05 a.m. – Introductions and announcements

8:05 a.m.-9:05 a.m. – Federal Estate and Gift Tax Update (Roger)

- This session includes discussion of important federal estate and gift tax developments from the past year concerning court cases and IRS administrative pronouncements on such issues involving gross estate calculations and deductions; retirement plans; trusts; and miscellaneous matters.

9:05 a.m.-9:35 a.m. – SECURE Act 2.0 (Paul)

- The SECURE Act 2.0 is an extensive piece of retirement plan legislation that made additional changes to retirement plan rules. The Act contains over 90 changes to retirement plan and tax law in addition to the approximately 30 changes made in the SECURE

Act. This session takes a brief look at the most significant changes and how they impact retirement and tax planning for clients.

9:35 a.m.-9:50 a.m. – Morning Break

9:50-10:20 a.m. – Split Interest Land Transactions (Roger and Paul)

- In the current economic environment of high land values and increased interest rates the split-interest technique for buying land or as a succession planning device is receiving increased interest. This session looks at how the transaction works and how a client might benefit from using it.

10:20-11:05 a.m. – Manager-Managed LLCs (Roger and Paul)

- The use of the manager-managed LLC can be used for a farm and ranch client in the right situation to minimize self-employment tax and the net investment income tax. But the structure of the entity must be established correctly to receive the anticipated tax benefits. This session works through the application of the Code and Regulations to show the proper way to utilize the manager-managed LLC. Also discussed will be recent court decisions of relevance and the position of the IRS.

11:05 a.m.-Noon – Types of Trusts (Paul and Roger)

- Trusts are an important part of estate planning for farm and ranch families. This session looks at the different types of trusts that can be utilized to satisfy a client's estate and succession planning goals. The discussion includes revocable trusts and various types of irrevocable trusts and the income and estate tax implications of each one.

Noon-12:45 p.m. – Luncheon

12:45-1:30 p.m. – Monetized Installment Sales (Paul/Roger)

- In 2023, the IRS issued proposed regulations identifying monetized installment sale transactions as a listed transaction that must be reported and placed them on the "Dirty Dozen" tax scam list. This session looks at the technique, how it claims to work from a tax standpoint and the type of client that is commonly targeted.

1:30-2:15 p.m. – Charitable Remainder Trusts or Cash Balance Plans – Which is Better (Paul)

- Charitable Remainder Trusts and Cash Balance Plans can both be an appropriate tax planning tool for farm and ranch clients in the right situation. This session examines how each technique works, the type of client factual situation that supports the usage of each technique and the tax benefits that can be derived.

2:15-2:30 – Afternoon Break

2:30-3:15 p.m. – Special Use Valuation – The Basics (Roger)

- With the potential drop in the federal estate and gift tax applicable exclusion after 2025, the rules surrounding the use of special use valuation should be dusted off and re-examined. This session provides a review of the key eligibility requirements for a special use

valuation election on the estate tax return, and the rules to avoid recapture during the post-death recapture period.

3:15-4:00 p.m. – Buy-Sell Agreements (Roger/Paul)

- A well drafted buy-sell agreement is perhaps as important as a will or trust. It is a key document in dealing with post-death transition issues that can arise in the context of a family business such as a farm or a ranch. This session looks at the key components of a buy sell agreement and provides and update on current court developments that bear on the usage of buy-sell agreements.

4:00 p.m. – Adjourn