

Calhoun County Cattleman's Monthly

February 2011

Vol.1, Iss.8



Improving Lives. Improving Texas.

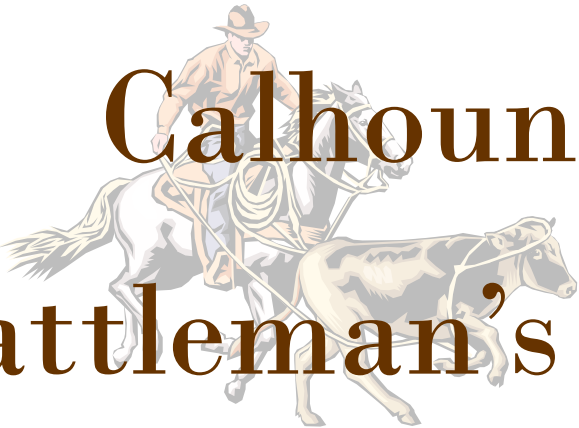
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Calhoun County Cattlemen's Association

Beef Cattle Programs for 2011

The Calhoun County Beef Cattle Committee will be meeting on February 3, 7am at the Wagon Train Restaurant. During this meeting we will be planning the annual Cattlemen 's Association Banquet and also discussing what area I need to focus on with my programs for the year. I would very much appreciate any direction from any of you as to what you want to see done in Calhoun County. There is a wealth of knowledge that can help our local producers become more efficient and profitable. If you have anything that you want to see a program on, a field test conducted, or a problem you need help solving please give me a call at the Extension Office.



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Houston Livestock Show

All Breeds Sale and Educational Event

Every year the Houston Livestock Show hosts their All Breeds Bull and Female Sale. This sale is a great outlet for producers to go get good quality genetics for their commercial operations at a fair price. If you have never been to this sale I would encourage you to at least go through and look at the stock. In addition to the sales there will be 2 different educational opportunities held in conjunction with the sale. THERE WILL BE CEUs OFFERED. Topics will include Banking Options, Industry Trends, Ranch/Grass Raised Beef, Weed Management, Pesticide Water Regulations, Global Market Outlook, and Legislative Updates. The bulls will sale on March 2nd and the females on the 5th. The educational presentations will be on the 1st and 4th. I know many of you plan a trip to the HLSR so you might try to schedule your trip during this time. If you have further questions about this opportunity you can contact me or check the Houston Livestock Show and Rodeo website at HLSR.com



Specialist offers farmers tax advice

“As tax return preparation gets under way, agricultural producers need to take a close look at some tax preparation items,” says Ron Haugen, North Dakota State University Extension Service farm economist.

Items to note for 2010 income tax preparation:

- Producers have until March 1, 2011, to file their returns without penalty. If they made an estimated tax payment by Jan. 18, they have until April 18 to file.
- For 2010 only, a deduction for health insurance can be made against self-employment income. Previously, you could take a deduction for family health insurance to adjust total income but not self-employment income.
- The 179 expense election is \$500,000. Generally, the 179 expense election allows producers to deduct up to \$500,000 of machinery or equipment purchases for the year of the purchase. There is a dollar-for-dollar phase-out for purchases of more than \$2 million. It is scheduled to remain at \$500,000 for 2011.
- The additional first-year bonus depreciation provision is in effect. It is equal to 50 percent of adjusted basis after 179 expensing. It only applies to new property purchased in 2010 and has a recovery period of 20 years or less. For new qualifying property purchased after Sept. 8, 2010, a 100 percent bonus depreciation is available.
- The standard deduction is \$11,400 for those who are married and filing jointly. The deduction is \$5,700 for singles.
- The personal exemption amount is \$3,650.
- Qualified dividend income is taxed at a 0 percent rate for individuals in the 10 or 15 percent tax brackets and at 15 percent for those in higher tax brackets.
- Long-term capital gains are taxed at a 0 percent rate for individuals in the 10 or 15 percent tax brackets and at 15 percent for those in higher tax brackets.
- The child tax credit is \$1,000 for each qualifying child.
- The annual IRA contribution is \$5,000 for 2010 or \$6,000 for individuals 50 or older.
- The annual gift tax exclusion is \$13,000.
- The 2010 Social Security wage base is \$106,800.
- The business mileage rate for 2010 is 50 cents per mile.
- There is a new credit for those producers who pay health insurance for their employees. For those who qualify, the credit may be up to 35 percent of employer health insurance premiums paid. This is done on Form 8941, Credit for Small Employer Health Insurance Premiums.
- Crop insurance proceeds, if received in 2010, may be deferred to 2011 if you qualify. You must use cash accounting and show that, under normal business practices, the sale of damaged crops would occur in a future tax year.
- A livestock deferral can be made by those who had a forced sale of livestock because of a weather-related disaster. Two methods can be used. In the first method, income can be deferred to the next year for all types of livestock sold prematurely. In the second method, income from livestock held for draft, breeding or dairy purposes is not taxed if like-kind animals are repurchased within four years (or more depending on weather conditions or disaster declarations) from the end of the tax year in which the animals were sold. Only the gain on the sale of those animals beyond what normally was sold would qualify for postponement.
- Remember that qualifying farmers can elect to compute their current tax liability by averaging, during a three-year period, all or part of the current year elected farm income. This is done on Schedule J. North Dakota farmers who elect to use income averaging (Schedule J) for federal purposes also may use Form ND-1FA, income averaging for North Dakota income tax calculations.

Information on agricultural tax topics can be found in the “Farmers Tax Guide,” publication 225. It is available at any IRS office or can be ordered by calling (800) 829-3676. Any questions about these topics should be addressed to your tax professional or the IRS at (800) 829-1040 or [online](#).

Source: North Dakota State University



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This newsletter is meant to be a tool that Calhoun County Cattlemen can utilize to increase the efficiency and profitability of their operations. If there is a topic that you want to be addressed in next month's issue or sooner, contact Chance Crossland at the Extension Office.