



YOUR FARM ... YOUR FAMILY ... YOUR FUTURE!

Since 1974

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February 2017

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WESTERN FARM SHOW

The Western Farm Show in Kansas City, Missouri is February 24 – February 26 at the American Royal Building. All clients are welcome and we look forward to seeing many of you there!

- A flower cannot blossom without sunshine, and man cannot live without love. – Max Muller

MISSOURI FARM CORPORATIONS

On August 28, 2016 the state of Missouri passed an amendment to Section 351.120.1 which requires all business corporations to file an annual report with the Secretary of State. The amendment added the following language to the law:

9. The requirement to file a corporate registration report pursuant to this section shall be waived for authorized farm corporation and family farm corporations as defined by subdivision (2) of section 350.010 and subdivision (5) of section 350.010, respectively, when the information required by subsection 2 of this section has not changed since the filing of the corporation's original articles of incorporation or most recent corporate registration report, whichever is applicable.

In simple terms, this new verbiage states that any corporation registered with the state as a farm corporation does not need to file an annual report unless there is a change in the registered agent and/or officers of the corporation. In addition, it does not need to pay the annual registration fee.

We were contacted by representatives of Missouri working on this bill amending the filing requirements to give our feedback. They knew we worked with a large

percentage of the farm corporations within the state and were looking for ways to simplify the filing requirements.

In order to be properly registered with the state of Missouri you will need to complete a Corporate Farm Registration with the State of Missouri Department of Agriculture. This form can be found on our website at corporatefarmer.com/client-links.

The form itself is pretty straightforward. Instructions are provided on the last page. Once confirmation is received from the Department of Agriculture it will need to be forwarded to the Missouri Secretary of State.

Until this is done you must continue to file your annual report and pay the annual registration fee otherwise the corporation will be administratively dissolved. If you have any questions regarding this process please contact our office or the Department of Agriculture.

Since this is a relatively new law there are still some kinks to be worked out and many state employees are still learning how to implement the changes. We spoke to several ourselves before getting someone that could answer our questions.

- Wherever you go, no matter what the weather, always bring your own sunshine. – Tony D'Angelo

2017 STANDARD MILEAGE RATES

With lower fuel prices, the standard mileage rates for business, medical and moving purposes has decreased again for the upcoming 2017 tax year.

Beginning Jan. 1, standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 53.5 cents per mile for business miles driven, down from 54 cents for 2016;

- 17 cents per mile driven for medical or moving purposes, down from 19 cents for 2016;
- 14 cents per mile driven in service of charitable organizations.

- *Never give up. Today is hard, tomorrow will be worse, but the day after tomorrow will be sunshine.* – **Jack Ma**

IOWA SECTION 179

The Iowa Tax conformity bill concerning Section 179 appears dead. Word received from Iowa's Capitol indicates there will be no tax conformity for 2016. Two bills were proposed, one supporting conformity including Section 179 and the other promoting conformity but not including Section 179. Both of these bills now appear to be dead.

Several Iowa farmers were holding out hope that a last minute solution might come out of Des Moines but it appears that won't be the case, which is what we heard from a few of our representatives in the past week.

The Iowa Department of Revenue has published guidance as well as a Question and Answer concerning the Section 179 Deduction for 2016. The following are links to their website for further information regarding how to handle depreciation this year.

<https://tax.iowa.gov/section-179-expensing-federal-and-iowa...>

<https://tax.iowa.gov/section-179-expensing-faqs>

<https://tax.iowa.gov/impact-non-conformity-2016-irc>

- *Keep your face to the sunshine and you cannot see a shadow.* – **Helen Keller**

DUE DATES FOR 2016 RETURNS

Below is a comprehensive list of 2017 due dates for 2016 returns, including 1020, 1020S, W-2, 1099-MISC, 1040, 1041, FBAR, and 1065.

Information Return

| | |
|-----------------------------------|---|
| Forms W-2 and W-3 with SSA | January 31, 2017 (paper and electronic) |
|-----------------------------------|---|

| | |
|--|------------------|
| Form 1099-MISC to IRS (non-employee compensation box 7) | January 31, 2017 |
|--|------------------|

| | |
|---|---|
| Form 1099-MISC to IRS (no box 7 non-employee compensation) | February 28 by paper March 31 electronically |
|---|---|

| | |
|------------------------------|------------------|
| Copy B To Individuals | January 31, 2017 |
|------------------------------|------------------|

| | |
|--|------------------------------|
| ACA Information Returns to Employees (1095-B, 1095-C) | March 2, 2017 (no extension) |
|--|------------------------------|

| | |
|---------------------------------------|---|
| ACA Information Returns to IRS | February 28 by paper March 31 electronically |
|---------------------------------------|---|

Remember, IRS cannot issue refunds for returns claiming EITC or ACTC before February 15, 2017. It will likely be much later.

Entity Returns

| | |
|----------------------------------|---|
| Form 1065 (calendar year) | March 15, 2017 (extension through Sep 15, 2017) |
|----------------------------------|---|

| | |
|--------------------------------|-------------------------------------|
| Form 1065 (fiscal year) | 15 th day of third month |
|--------------------------------|-------------------------------------|

| | |
|----------------------------------|---|
| Form 1120 (calendar year) | April 18, 2017 (extension through Oct 16, 2017) |
|----------------------------------|---|

| | |
|--------------------------------|---|
| Form 1120 (fiscal year) | 15 th day of fourth month (with six-month extension) |
|--------------------------------|---|

| | |
|------------------------------------|--|
| Form 1120 S (calendar year) | March 15, 2017 (extension through Sept 15, 2017) |
|------------------------------------|--|

K-1s are due to the owners at the time the return is due.

Individual Returns

| | |
|------------------|---|
| Form 1040 | April 18, 2017 (extension through Oct 16, 2017) |
|------------------|---|

| | |
|-------------|---|
| FBAR | April 18, 2017 (extension through Oct 16, 2017) |
|-------------|---|

- *A day without sunshine is like, you know, night.* – **Steve Martin**

SUNSETTING ON A FEW TAX DEDUCTIONS

Just a reminder that several tax provisions expired after December 31, 2016. Those expiring provisions include:

- Credit for installing energy efficient windows and exterior doors and other personal residential energy credits.
- Deduction on Schedule A for Private Mortgage Insurance
- 30% credit for geothermal heat pumps, wind turbines and fuel cell property.
- Credits for biodiesel and other alternative fuels including two-wheeled electric vehicles.

Unless Congress takes action on these and several other provisions, they will no longer be available in 2017.

- Sunshine is a welcome thing. It brings a lot of brightness. – Jimmie Davis

WHERE'S MY REFUND?

The IRS's "Where's My Refund?" tool was updated on February 18 for many taxpayers who claimed the Earned Income Tax Credit (EITC) or the Additional Child Tax Credit (ACTC). Before February 18, some taxpayers may have seen a projected deposit date or an intermittent message that the IRS is processing their return. Early filers claiming the EITC/ACTC may experience delayed refunds because of the Protecting Americans from Tax Hikes Act of 2015 (PATH) Act.

The PATH Act generally requires that no credit or refund for an overpayment for a tax year will be made to a taxpayer before the 15th day of the second month following the close of that tax year, if the taxpayer claimed the EITC or ACTC on the return. This provision in the PATH Act applies to credits or refunds made after December 31, 2016.

Many taxpayers claiming these credits traditionally file during the opening weeks of tax season and seek early refunds, the IRS has reported. However, the IRS has cautioned that the affected refunds likely will not arrive in the bank accounts or debit cards of taxpayers until the week of February 27, if there are no processing issues with the return and the taxpayer selected direct deposit.

- The first Disney movie I saw was "Snow White." I loved all the Disney princess movies. – Lily James

ARE ACA PENALTIES GONE?

On February 15, 2017, IRS posted an update informing taxpayers that it is "currently reviewing" President Trump's January 20, 2017, executive order regarding the Affordable Care Act "to determine its implications."

The update states, in part:

Taxpayers should continue to file their tax returns as they normally would.

The individual shared responsibility provision requires you and each member of your family to do at least one of the following:

- *Have qualifying health coverage called minimum essential coverage*
- *Qualify for a health coverage exemption*
- *Make a shared responsibility payment with your federal income tax return for the months that you did not have coverage or an exemption.*

This year, the IRS put in place system changes that would reject tax returns during processing in instances where the taxpayer didn't provide information related to health coverage.

However, the Jan. 20, 2017, executive order directed federal agencies to exercise authority and discretion available to them to reduce potential burden. Consistent with that, the IRS has decided to make changes that would continue to allow electronic and paper returns to be accepted for processing in instances where a taxpayer doesn't indicate their coverage status.

However, legislative provisions of the ACA law are still in force until changed by the Congress, and taxpayers remain required to follow the law and pay what they may owe.

Processing silent returns means that taxpayer returns are not systemically rejected by the IRS at the time of filing, allowing the returns to be processed and minimizing burden on taxpayers, including those expecting a refund. When the IRS has questions about a tax return, taxpayers may receive follow-up questions and correspondence at a future date, after the filing process is completed. This is similar to how we handled this in previous years, and this reflects the normal IRS post-filing compliance procedures that we follow.

As stated in the IRS update, individuals and employers are still required under the law to pay their respective shared responsibility payments for the 2016 tax year. The Affordable Care Act has not changed. The Executive Order has likely made it more likely that IRS will grant a requested hardship exemption or more likely that IRS may waive (where it has discretion) an excise tax. And, this reversion to last year's procedure has made it possible to file the return without reporting health coverage information. In other words, "conscientious objectors" can proceed at their own risk.

- The February sunshine steeps your boughs and tints the buds and sells the leaves within. – William Bryant



REFERRAL CREDIT

Refer a friend or neighbor to Corporate Farmer and receive \$250 off your next renewal if they end up signing up for our services. This is a great opportunity to lower your expenses and help someone you know. It's as easy as contacting the office with the names of farmers that might be interested in meeting with us and we will send you a voucher if they give us a try.

- Mozart is sweat sunshine. – Antonin Dvorak

LIKE US ON FACEBOOK

Several clients already follow us on Facebook. To encourage other Facebook users to join the fun we are going to offer an incentive to all clients that like us on Facebook already or do so by the end of tax season, April 18, 2017.

In April 2017 we will randomly choose six clients that like us on Facebook to win a Yeti prize. If you don't know what Yeti is they make high quality coolers and drinkware for the outdoors.

One client will receive a Yeti cooler and five others will receive a Yeti tumbler. Find us on Facebook at [facebook.com/corporatefarmerinc](https://www.facebook.com/corporatefarmerinc) and simply hit the Like button to be entered to win.

Our Facebook page is a great way to stay on top of what is going on at Corporate Farmer. We try to link or post current items relating to tax law changes, IRS news and many other topics related to agriculture.

Like us today for your chance to win!

SCAMMERS

Continue to watch for scammers that are getting very creative in trying to get your personal and financial information. They may try to convince you that they are a business you deal with, the IRS or even your tax preparer and are here to help. Before you give anyone information please confirm their identity and make sure they are who you think they are!

- Friends are the sunshine of life. – John Hay

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