

Tracy Ellingson

From: Scott M Newport <newport@fbfm.org>
Sent: Friday, May 19, 2017 1:49 PM
To: Kent Vickre
Subject: 2-B-1 Scott Newport Professional Paper
Attachments: FBFM.Fall.Newsletter.2016.pdf

1. Scott Newport
2. Newsletter, Individual

Thanks,

Scott

Scott Newport

Illinois Valley FBFM
1350 West Prairie Dr
Sycamore, IL 60178-3166
Ofc 815-756-9839
Cell 815-757-3236
Fax 815-787-3236
newport@fbfm.org





PCMARS UPDATE

PCMars 2.4.5 is the most recent version. If you are using version 2.2.8 or older, you should definitely purchase the new update. If you are using an older version such as 2.4.1 you can download and install the free patch to update to 2.4.5. Visit PCMars.com

RECONCILIATION

If you are using PCMars, but are not reconciling your bank balance with your bank statement, you should begin doing so this year. Reconciliation is the only way to be certain that all transactions have been entered. If you need assistance with this process please let me know.

Illinois Income Tax withholding payment changes

The Illinois Department of Revenue is making significant changes regarding the filing and payment requirements for employers that withhold Illinois State Income Tax from employees beginning in 2017.

They will also be required to file form IL-941 quarterly.

Employers will be required to pay Illinois Income Tax withheld from employees by the 15th of the month following the date wages were paid.

These requirements apply to all employers that withhold Illinois Income Tax regardless of how much tax is withheld annually.

FBFM can file and pay these withholding tax payments on your behalf if you are interested in assistance. Please contact us if you are interested.

FSA ARC-Co payments for 2016 and 2017

The ARC-Co payment for 2016 is determined by the FSA county yield and the marketing year average price. At this point, one can only estimate these factors. Based upon current information, I am estimating ARC-Co payments for DeKalb County at \$20 for corn and \$13 for soybeans. My estimates for Kane County are \$24 for corn and \$10 for soybeans.

The ARC-Co payment for wheat will likely reach the maximum of \$42 for both DeKalb and Kane County. These amounts will be reduced by a 6.8% sequestration factor before payment is made in October of 2017. Using trend-line yields and expected prices, no ARC-Co payments are expected for the 2017 crop year.

Expense Election, Special Depreciation and Tax Reform

The expense election limit was permanently increased to \$500,000 plus an inflation factor. The special depreciation allowance on new purchases remains at 50% for 2016 and 2017 before phasing down to 40% in 2018 and 30% in 2019 in its final year.

Significant tax reform will be considered in 2017. Other than the general objective of simplification, predictions regarding the specifics of tax reform would be premature at this point.

FBFM Organizational Structure

The current organizational structure of Illinois FBFM is eight regional associations each having their own Board of Directors, Policies, Finance and Management. Each association pays dues to the State FBFM Association to cover the cost of state office personnel, training, software development and support.

All of the associations have agreed on an intent to merge effective July 1, 2017. This is only an intent to merge and final action will not be taken until April of 2017. This would create one state organization that would allow us to have more access to training, and supervision of staff, more consistency through out the state on the quality of our service and may open additional services that may be offered. This will also relieve regional association executive fieldstaff of the financial management and oversight responsibilities and allow them to focus more on their cooperators needs.

More information will be forthcoming regarding this merger.

FBFM Analysis Meeting

The 2017 DeKalb County FBFM analysis meeting will be held on **Wednesday, March 15** in the theater of the DeKalb County Farm Bureau Center for Agriculture.

Your comparative analysis will be available as well. Lunch, sponsored by local lending institutions, will be served following the morning session.

Summary of Tax Preferences

	2016	2017
Expense Election	\$500,000	\$510,000
Annual Gift Exclusion	\$14,000	\$14,000
Estate Tax Exemption	\$5,450,000	\$5,490,000
IRA Contribution	\$5,500	\$5,500
IRA Catch-up 50+	\$1,000	\$1,000
SEP IRA Contribution	\$53,000	\$54,000
SEP-IRA Contribution %	20%	20%
HSA Contribution	\$6,750/3,350	\$6,750/3,400
HSA Catch-up 55+	\$1,000	\$1,000



Check-In & Tax Appointment Notes

Cooperators requesting FBFM to prepare 1099s and W-2s should have the information accurately completed prior to check-in. Complete the forms in your record book (unless we collected them at the fall visit). Payments to truckers do not require a 1099. Add any new recipient information. Please drop off or mail this information to us **prior** to your check-in appointment.

If you have any scheduling problems please notify us as soon as possible. We prefer to have your book in early January so we can prepare tax estimates and get information from your records back to you promptly. Happy New Year!

Scott M. Newport