

# IOWA FARM BUSINESS ASSOCIATION

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## New for 2010, Cash Rent Survey

As a result of members' input, this year the IFBA will be completing a Cash Rent Survey in addition to the Inventory Survey we completed in the past. The survey information will include the number of acres rented, CSR rating, cash rent paid, and if rented from a related party.

To collect this information, your consultant will be asking for this additional information when you complete your 1099 ProForma in January.

Results of this survey will be proprietary information available to the IFBA members.



## No More Federal Tax Deposit Coupons

Beginning January 1, 2011; the IRS Form 8109 (blue coupon) will not be accepted at your bank. This is because the paper coupon system will not be maintained by the Treasury Department any longer. Because of this, you will need to make your Federal deposit electronically via the internet or phone. This new system is referred to as the Electronic Federal Tax Payment System, or EFTPS.

There are a few exceptions to this electronic filing. For example, if your Federal tax payment is less than the IRS form threshold, the payment can still be sent with the form.

To enroll in the EFTPS system, you can go to [www.eftps.gov](http://www.eftps.gov) or call customer service at 1-800-555-4477. For detailed instructions on how to enroll in EFTPS, go to [our website and click on News & Articles](#).



## Depreciation Update

The Federal Section 179 depreciation limit for 2010 was increased September 27, in the "Small Business and Credit Act of 2010" bill to \$500,000, with phase out beginning at \$2 million in purchases. The 50% Bonus Depreciation has also been brought back for 2010 only. However, the state of Iowa limits have not coupled (it looks doubtful that they will). As a result, your Iowa 179 deduction is limited to \$134,000 and Bonus Depreciation is NOT available. For eligible property for the 179 or Bonus Depreciation, talk to your consultant.



If you ever forget your consultants email address, just remember that it is their first initial followed by their last name@iowafarmbusiness.org.

(jdoe@iowafarmbusiness.org)

## New Voice in the State Office



If you call the Iowa Farm Business State Office, you will probably hear a new voice. Amanda Ennis joined the Iowa Farm Business group on September 6. She lives in State Center, Iowa and is married with one daughter. She recently moved back from Wisconsin, but grew up in State Center.

She has an Administrative Assistant degree. While completing her Associate's she joined the Business Professionals of America group and did a lot of side-studying on database utilization. While a member of the BPA, Amanda competed in a state competition in Wisconsin, and earned 1st Place in the Database Utilization competition as well as other high rankings in Spreadsheet Applications. She went on to compete at a National level in Reno, Nevada and was among the top 10 of the nation for her database and spreadsheet knowledge. She has accounting knowledge and many years of office experience.

Amanda has done great with learning the PcMars software and taking on the roll of software support.

She is a great addition to the IFBA group and we welcome her.

## Software Corner



### PcMars PLUS Enhancement

The new PcMars PLUS 2.2 version now offers these features:

1. Improved way to handle double cropping
2. Tillable acres are now handled differently
3. Unassigned assets & liabilities can now be displayed in a browse screen
4. Feed inventory is now limited to feed fed categories of account codes

### New Module for PcMars

The Advanced Payroll Module, an add-on to PcMars 2.2, is for users who have more complicated Payroll needs. Features include:

1. Federal Tax Tables and State Tax Tables (for IA, MN, IL)
2. Ability to customize up to seven custom pay types
3. Ability to customize up to ten withholding fields
4. Ability to track money loaned out or advanced to employees through paycheck deductions
5. Ability to calculate retirement deductions and matching (in the non-simplified payroll method)
6. Ability to round federal and state withholdings
7. Pension withholding wages calculation can automatically be adjusted by "subject to" tax preference for all ten paycheck withholdings
8. Modified reports to handle additional withholdings & pay types

### Have You Updated to PcMars 2.2?



We listened to your requests and have come up with a sizeable list of changes and improvements for PcMars 2.2. Some of the most exciting improvements are listed below:

1. **Enhanced Open/View Screen for Sets of Books**—This new screen lists details about each set of books, allows you to choose a specific year of books, and to back up multiple sets of books all at once
2. **Asset Loan Vendor Added**—This allows you to track money loaned out to others. This loan is considered an *asset* and payments and interest earned are tracked in PcMars
3. **Credit Reconciliation and Credit Register Reports**—This allows the user to reconcile their revolving credit statements and print credit registers—just like bank statement reconcile
4. **Updated the "Browse Select" Drop Down to Include**—Paycheck option added to "Type"; check number search field added; "Type" of loan vendor option added; and no longer necessary to specify positive/negative in search field "amount"
5. **Multiple Loan Vendors Can be Used on Checks**—This allows the user to separate one check among multiple loan vendors
6. **Floating Tack Note**—This option allows the user to "attach" a note to any transaction. All notes can be viewed easily and questions/comments on transactions can be quickly reviewed at a later time
7. **Preview Option**—Now preview without making changes when Carrying Over Balances from one set of books to another
8. **Newly Updated Net Worth Statement**—The Net Worth Statement is now viewed in a "live" See & Click format. When you double click on a line item on the net worth, it is "hot linked" to the entry. It will take you to it and you can make changes that will automatically update on the net worth when you save it
9. **Detailed Loan Report**—Added a date range option and summary print option
10. **Recurring Transactions**—Custom biweekly recurring transactions
11. **Batch Check Printing**—For revolving credit transactions
12. **Current Portion of Loan**—Now shows in entry screen as well as the Net Worth Statement

## Classroom Booklets

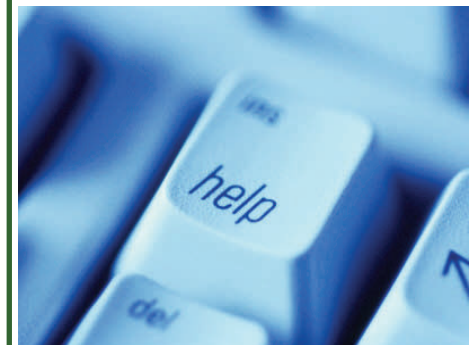


Available at [www.pcmars.com](http://www.pcmars.com) for free download are these new booklets:

- **What's New in 2.2** and **Advanced Payroll Module**—provide detailed instructions and screen shot illustrations explaining features.

Other previously-posted booklets are still available for free download and include:

- PcMars Set Up
- PcMars Beginner
- PcMars Advanced



## Help Instructions

In addition to the classroom booklets, there are now **Help Instructions** posted for you to use when troubleshooting PcMars and other PcMars programs. The tips are located on [our web site under Newsletters and Tips](#). Here are some topics that are covered:

- How to enter Capital Purchases
- How to Backup to a Flash Drive
- How to Restore From a Flash Drive
- Reconciling Bank Statements
- Revolving Credit
- Recurring Transactions
- Reusing a Transaction
- Setting Up Loan Vendors

## New Accounts Receivable Program Now Released



*Softshell has released a new Accounts Receivable*

*program..This program can be installed either as a standalone or it can be interfaced with PcMars. The new Accounts Receivable 2.0 has been updated with many new improvements.*

### *Some of the most popular are:*

- Includes all the 32 bit improvements now contained in PcMars for Windows. It is compatible with both 32 and 64 bit Windows environments.
- Print/Preview now supports a wheelmouse for scrolling. Print settings now default to the last used.
- Advanced file maintenance works like latest PcMars. You can now save a specific directory as a default.
- The browse screen includes more descriptive headings and more columns of details.
- You can sort by vendor name or number when printing statements and reports.
- A new added option for statements and invoices. You can now print a stub on the bottom to mail in with payment. Stub will fit in a number 9 envelope.
- New A/R program now works with PcMars PLUS.
- New Help system now work with Windows 7 and Vista.
- New Preview option added to the "Post to PcMars" utility screen.

✓ **Don't Forget!**

*The cost of an employee's health insurance must be disclosed on their W2 in the year 2012. This is for informational purposes only. It is not included in taxable wages.*

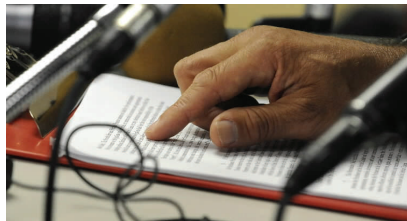
# IFBA State Office: MOVING



*Currently, we are working out the details to sell the state office building and replace it with a smaller office.*

With computer, technology and personnel changes over the past years, this downsize will be much more cost effective for the Association. The exact move date is still unclear; however, we plan to move sometime this January. We will let you know our new contact information after we have moved.

## New Upcoming 1099 Filing Requirements



- ◆ **For 2010:** Any rental income received on or after January 1, 2010 now requires new 1099 reporting. This act applies the same 1099 reporting requirements to taxpayers engaged in a trade or business. Hence, if you receive rent income from real estate, you are now required to file a 1099 if the payments exceed \$600.
- ◆ **For 2011:** Credit card payments are to be reported to the IRS via Form 1099K. Any merchant account/third party (credit cards, debit cards, PayPal, etc.) are required to send the new reporting form to the payment recipient. This is required unless payment recipient receives less than \$20,000 gross and their total number of transactions do not exceed 200. The form has gross sales attributed to each month's gross sale so that the IRS can match up fiscal years. Due to this Merchant Account Reporting requirements, it seems that if you make payments via a merchant account then the 1099 reporting will be done via the merchant—not you. This change was part of the Housing Assistance Tax Act of 2008.
- ◆ **For 2012:** As most of you have heard, the 2010 health care bill requires more 1099 reported payments made after Dec. 31, 2011. Several proposals have been made to change this; however, currently no actions have been taken to repeal this provision. Several "key" issues of this act are the term "amounts in consideration for property," "gross proceeds," and definition of a "person." As a result of these changes, comments for 1099 reporting are as follows:

1. Payments made to a corporation are no longer exempt from 1099 reporting.
2. This new 1099 reporting requires the \$600 threshold to be for services and property.

### *Here are some examples of how this new reporting change could impact you:*

1. You will need to send a 1099 to the Coop for fertilizer, fuel, etc. purchases.
2. You will need to 1099 the equipment dealer if you purchase a tractor, combine, etc.

As you can see, these changes will GREATLY increase the number of 1099 Forms you file. For more details or current information, check with your consultant.



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**New Tax Preparer Requirements**

*This year, the IRS is increasing their requirements for tax preparers. Below are a few changes that may impact your consultant in the future:*

- Tax preparers who prepare more than 100 individual or trust tax returns in 2011 are REQUIRED to electronically file them. There are a few limited exceptions to this rule. In 2012, this changes for any preparer filing more than 10 individual or Trust returns will be required to electronically file them.
- Tax preparers who are not an Enrolled Agent (EA), Certified Public Accountant (CPA), or an attorney will have a 3 year period to complete IRS preparer's testing. The grace period is for tax preparers who have a registered Paid-Preparer Tax Identification Number (PTIN) in 2010 ONLY; all others will need to meet licensing requirements in 2011. 1099, W2 & 943 Forms are also currently considered "returns" by the IRS. As a result, preparers of these forms "for compensation" will also need to be a registered (tested) individual. It is still unclear which IRS testing modules they will be required to complete.

*As you can see, the additional requirements on tax preparers and the changes in 1099 filing, W2 preparation all require more record keeping details in the future.*

**2010 Quick Tax Facts**

- ☑ **Self employment tax limits for 2010:** Social Security=\$106,800 and Medicare=Unlimited.
- ☑ **IRS standard mileage rates:** Business=\$0.50 and Charity=\$0.14.
- ☑ **Domestic production activity deduction:** Increases to 9%.
- ☑ **Social Security benefit:**
  - ◆ Earning limits are \$14,160 for those under full retirement age (FRA). If under FRA, benefits are reduced by \$1 for each \$2 over.
  - ◆ Year FRA reached limit is \$37,680 for months up to FRA only, benefits are reduced by \$1 for each \$3 over.
- ☑ **Annual exclusion for gifting:** Increased to \$13,000.
- ☑ **Standard deductions:**
  - ◆ Married filing joint = \$11,400
  - ◆ Head of household = \$8350
  - ◆ Single & married filing separate = \$5700
- ☑ **Personal exemptions per person = \$3650**

**Pioneer Growing Point Magazine Articles**

The Iowa and Illinois Farm Business Associations will be co-authors of the tax/financial articles in Pioneer's Growing Point magazine again this year. The last two articles that have been written are:

- 📖 "Can You Inherit a Farm This Year" reviews estate tax.
- 📖 "Who Can Claim A DPAD" gives an explanation of domestic production activity deductions.

To read these articles, go to [our website and click on News & Articles](#).