DECEMBER 2021-JANUARY 2022

Nebraska Farm Business Inc.

Book Closing Appointments

Location	Date	Consultant
St. Edward	January 11th	Michelle
Norfolk	January 12th - 14th	Michelle
Holdrege	January 19th	Tina
Holdrege	January 20th	Kylie
Hastings	January 20th	Michelle
Kearney	January 21st	Tina & Michelle
Auburn	January 24th	Michelle
Burwell	January 24th	Tina
Bassett	January 24th	Tina
Valentine	January 24th	Tina
North Platte	January 25th	Michelle & Kylie
Imperial	January 26th & 27th	Michelle & Kylie
North Platte	January 26th	Tina
Hastings	January 28th	Tina
Central City	January 31st	Michelle & Kylie
Beatrice	February 1st	Michelle & Kylie

In addition to these locations, you always have the option to meet with your consultant in Lincoln or virtually. Please visit our website to schedule an appointment with your consultant.

Inside this issue:

Book Closing	1-2
Deadlines	2
NE Micro Tax Credit	3
KFMA	3
1099 & W-2 Reminder	4
Meet Spencer	4
Health Insurance	5
Crop Insurance	5
Calendar	6

Book Closing Appointments

It's time for your Book Closing visit. During this meeting, we will be finishing your records and gathering the information to get your tax return, analysis, or both finished.

We will need:

* Complete accounting records including: Income Statement, Balance Sheet, and Yearly Detail Report.

* Any outstanding checks & deposits.

* Any K-1's, W-2's, or 1099's that you have received if we prepare your taxes.

* Crop & Livestock production records if you are enrolled in analysis.

* Any year-end statement from lenders showing loan balance to interest paid.

Deadlines

In an effort to improve organization during tax and analysis season, we have created a blue book-closing folder. If we provide multiple services for you, we will give you the folder during your tax planning appointment or send it by mail. If we have your email address, we will request the information through IPM, which will send you a notification email. The folder contains a timeline, listing the deadlines of when certain information is needed, along with other helpful documents for the upcoming tax and analysis season. Please keep the blue folder handy, so you have a reminder to send in your information by the deadlines.

As you begin accumulating the needed information, you can get it to us by uploading it to IPM, bringing it to your book closing appointment, sending it by email, or mailing it. We strongly encourage uploading the information to IPM considering it is more secure than email and faster than mail.

If you have children, please be on the look out for IRS Letter 6419. This form will state the amount of the advanced Child Tax Credit you received over the year.

Please do not hesitate to ask your consultant if you have any questions.

Nebraska Microenterprise Tax Credit

The Nebraska Microenterprise Tax Credit has been around since 2014 but was revamped in 2021 to be a little more generous. The refundable credit is given to individuals operating small businesses who demonstrate growth in their business. There is a maximum of $2 million per year (plus any unclaimed credit from previous years) available for the program and $20,000 available per individual or business.

Eligibility Requirements:

- You must be actively involved in the operation. This means you must have personal involvement in daily management. If the business is considered passive for federal tax purposes, it is considered not actively engaged for this credit. In general, this means that if your income is subject to employment taxes, it is definitely active. If your income is rental in nature, it is passive. There are many variations in between that may be classified either way, so you may need to contact your tax professional if you have questions.
- You must employ five or fewer full-time equivalent (FTE) employees. This essentially means that your employees must work less than 10,400 hours collectively. You may have 10 employees that only work 10,000 hours a year and still be considered to have less than five FTE. You do not have to have any employees to qualify for the credit.
- Farm and livestock operations must have a net worth of less than $500,000 to qualify. A balance sheet provided by a professional (banker, accountant, etc.) must be submitted with your application to prove this. There are a few enterprises that are exempt from this, such as aquaculture, agricultural tourism, or producing fruit, herbs, vegetables, etc
- Employers must use the E-Verify system to report Nebraska employees hired after the date of application to verify they are legally able to work in Nebraska.
- The credit is based off 20% of the increase in investment made by the business in the following areas: Depreciable assets purchases, repairs and maintenance, advertising, legal and professional fees, net leases, employee compensation, and employer health insurance. The increase is calculated by taking the difference between two consecutive years investments, compared to a base year. For example, if 2020 was your base year and you spent $50,000 in capital purchases, in 2021 you spent $75,000, and in 2022 you spent $80,000, your increase in investment in year one would be $25,000 and in year two, $30,000. The total increase in investment would be $55,000 and the credit would be 20% of that, or $11,000.

Applications are considered on a first come-first serve basis each year. Applications received after November 1st are considered received as of the first day of the following year. Additional information and the application can be found on the Nebraska Department of Revenue website at https://revenue.nebraska.gov/incentives/microenterprise

KFMA Podcast

The Kansas Farm Management Association now has a podcast. It is available on both Google and Apple devices. The episodes aim to educate listeners on information regarding agriculture finance, tax issues, current ag topics and more.

https://kfmapodcast.libsyn.com/website

1099 & W-2 Reminder

1099s must be filed if your business:

- Paid a total of $600 for the year to any individual for services or rent, veterinarian services, Limited Liability Company, independent contractor, attorney/law firm, etc.
- Paid any individual $600 or more in interest and/or dividends.

NFBI will provide you with a pre-filled 1099 form with the information of all recipients that you have previously filed a 1099 for. Now that we have started using Intuit Practice Management (IPM), we are distributing them via email. If you do not have an email address, we will either mail them or give them to you at your tax planning meeting.

There are also fill-in pdf files on our website under the "client info" tab.

Please have all of your 1099 and W-2 information into our office by **January 15th, 2022** to avoid late fees!

Please Welcome Spencer to Our Staff

Spencer Hruby—Associate Farm Financial Consultant

I was born and raised here in Lincoln and have spent most of my life helping my grandfather on the family farm near Mead, Nebraska. I currently attend the University of Nebraska-Lincoln and plan on graduating December 2021 with a major in Accounting and a minor in Agribusiness. I started working at Nebraska Farm Business in October 2021, Inc as Associate Farm Financial Consultant.

When I am not in the office you can find me wrenching on machinery at the farm or cheering on the Los Angeles Rams on Sundays.

Health Insurance

It's time to think about health insurance. With open enrollment, producers have questions about offering health insurance and reimbursing medical expenses. There are new programs and rules that may allow you to get some tax savings by offering these benefits to your spouse and employees by setting up a Health Reimbursement Plan.

Base is a third party administrator who can help you set up these plans. They do not find or help you purchase health insurance, but do work with you to find the reimbursement plan that will work best for your situation.

To find out what is available call Base at 888-386-9680 and ask for Stacey Davis.

NFB Crop Insurance, Inc.

December 2021 Notes

By: Brad Heinrichs
Crop Insurance Specialist, Agent
brad@nfbi.net - (402) 984-6474

Harvest Price Set:

For Revenue Protection policies, the Harvest Price was set in the month of October. The daily average futures Dec. Corn and Nov. Soybean contract price is used to set the 2021 Harvest Price.

The averages were **higher than the spring prices.** Losses would be paid from a loss in yield only due to no drop in revenue. Be sure to provide your agent with your harvest bushels to ensure a claim is filed if needed.

Crop	2021 Spring Price	2021 Harvest Price Set
Corn (NE)	$4.58	$5.37
Soybeans (NE)	$11.87	$12.30
Sorghum (NE)	$4.40	$5.16

Changes to Farming Operation in 2022?

- Will you be adding ground in 2022?
- Breaking ground not farmed in the past?
- Any entity name changes in your operation?
- Any other changes in your farming operation?

Be sure to notify your agent of any changes that may be occurring in the 2022 crop year.

Multi-Peril & Crop Hail Premiums are Due

Be sure to pay your multi-peril premiums. Payments were due Sept 30. Interest is now accruing on the multi-peril premiums. Crop-Hail premiums were due October 15, and interest accrues each month.

Guaranteed Bushels Marketing Report

With the increase in market prices, let us figure your guaranteed bushels today for the 2022 crop year. This report allows you flexibility and peace of mind to market to your guaranteed bushels for your 2022 crop. Contact me if interested in this free report.

Take a Look!

After fall harvest is a great time to take a look at your operation's needs and options for 2022–

Don't just mitigate your risk with crop insurance– Look at how you can maximize your revenue or how you would like to utilize your crop insurance policy with your marketing plan.

We specialize only in crop insurance, so we can provide you with the attention you deserve, with the specialized agricultural experience you should expect!

We will provide you a FREE review of your current policy & look at opportunities for your operation for 2022 crop year. Contact me anytime!

We Wish You a Wonderful Holiday & a Prosperous 2022!

NFB Crop Insurance Inc. is an Equal Opportunity Provider

Nebraska Farm Business, Inc.

3815 Touzalin Ave
Ste. 105
Lincoln, NE 68507-1600

Phone: (402) 464-6324
Fax: (402) 646-6355
Email: info@nfbi.net

Happy Holidays

"Yielding Success Through Financial Management"

Please note: Consultants work flex hours during the Holiday season. Be sure to check with your consultant for their working hours.

Office Closed

December 2021

Sun	Mon	Tue	Wed	Thu	Fri	Sat
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 2022

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29