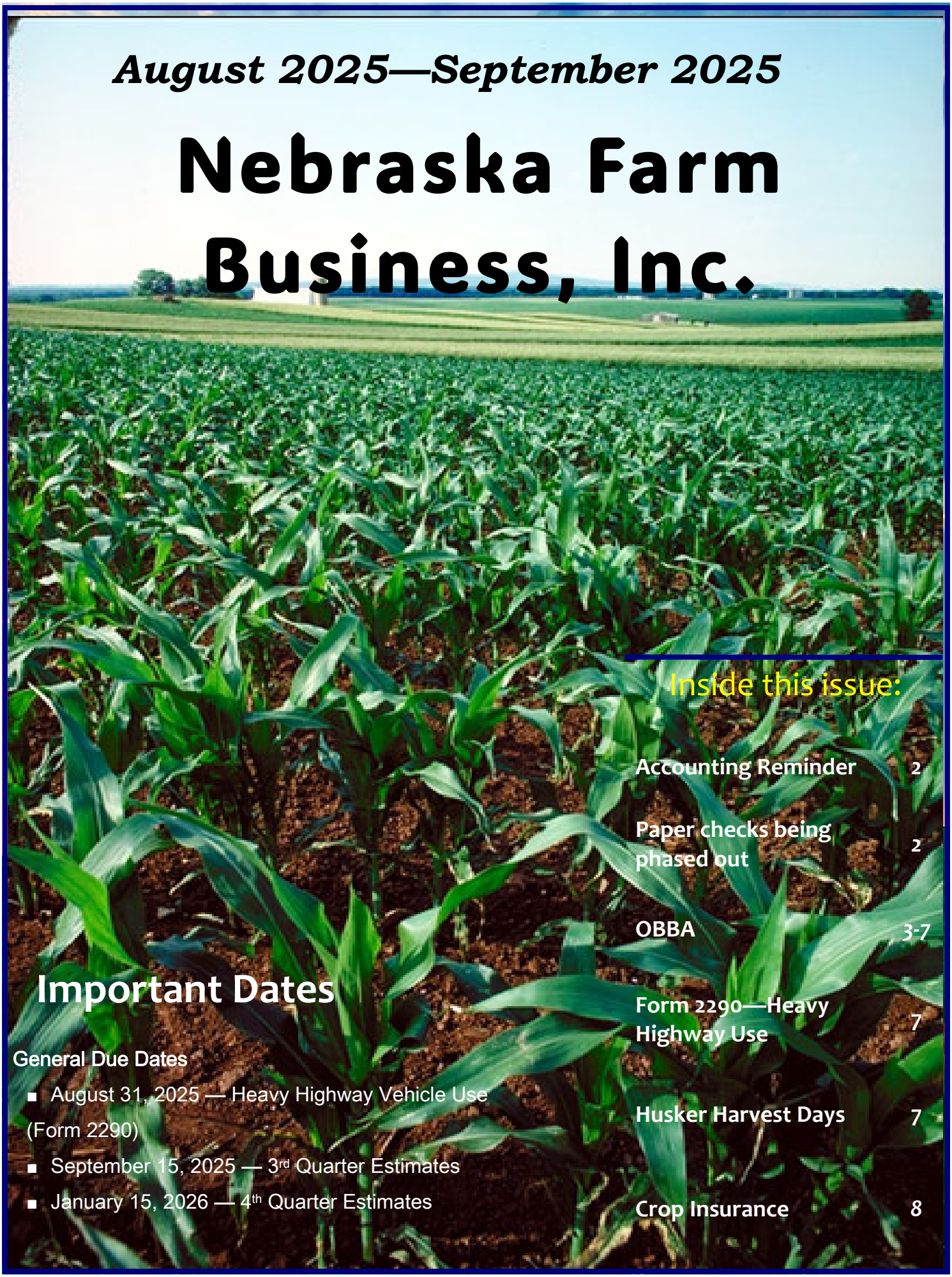

August 2025—September 2025

Nebraska Farm Business, Inc.

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Important Dates

General Due Dates

- August 31, 2025 — Heavy Highway Vehicle Use (Form 2290)
- September 15, 2025 — 3rd Quarter Estimates
- January 15, 2026 — 4th Quarter Estimates

Accounting Reminder

Please send your bank statements for the first 8 months by October 15, 2025 or you will be charged additional accounting fees. The most secure option to get them in quickly is to submit statements through a Karbon portal. We encourage you set this up by contacting our office to get started. We recommend all clients use Karbon to upload all documents, as this is a more secure option. Although Karbon is our most recommended option, there are several other ways to send your statements.

- Have your bank send it directly either by mail or a secure email
- Email it directly to: accounting@nfbi.net
- Sign a bank authorization for NFBI to receive your information on your behalf
- Send via USPS

Paper Checks Being Phased Out for Government Payments

A new executive order (EO 14247), signed in March 2025, requires nearly all payments to and from the federal government to be made electronically by September 30, 2025. This includes things like farm program payments, income tax refunds, paying estimated taxes, and paying payroll tax balances. Paper checks will be largely eliminated.

For many farmers, this change will affect how you receive payments from programs like FSA, NRCS, or crop insurance claims—and how you pay taxes or fees to the IRS or USDA. If you still rely on checks or money orders, now is the time to update your systems. Direct deposit or debit card options will become the new standard.

This will likely affect the payment of 3rd Quarter estimated income taxes due October 15th and monthly/quarterly federal payroll tax requirements due in October and following months. If you are a qualified farmer, the January 15th estimate will need to be made electronically. Please discuss the payment with your consultant before finalizing the amount.

The Treasury Department is still finalizing rules for rare exceptions, such as for individuals without reliable banking access, but these will be limited. Most operations will be expected to comply.

If you have questions about what this means for your operation, we're here to help you prepare ahead of the deadline. When you are ready to set up your payment, you can visit the link below. State payments can also be made electronically using the link below.

Federal: https://www.irs.gov/payments

State: https://revenue.nebraska.gov/individuals/estimated-income-tax

H.R.1 - One Big Beautiful Bill Summary

The One Big Beautiful Bill Act was signed into law on July 4, 2025. This law made some previous tax provisions permanent and added some new tax rules. It's always important to remember that permanent in the tax code just means until Congress changes it rather than having an automatic sunset date. Also, some of these provisions affect the 2025 return, others will be in effect for 2026. This guide breaks down the changes that will affect most farmers and ranchers.

Qualified Business Income (QBI) Deduction (199A)

The 20% QBI deduction that has been part of the tax code since 2018 is now permanent for sole proprietors and pass-through entities (like partnerships and S-corps) and the only change to the law was an increase in the income limit ranges for phasing out the deduction:

- For single filers the phaseout range is $197,300- $247,300
- For joint filers the phaseout range is $394,600 - $544,600.

These thresholds are inflation indexed starting in 2026.

A new minimum QBI deduction of $400 was added for those who materially participate and have at least $1,000 in QBI.

Estate, Gift & Generation Skipping Taxes (GST)

Starting January 1, 2026, the lifetime estate and gift tax exemption increases to $15 million per person ($30 million per couple), and it was made permanent, indexed for inflation.

For 2025, it remains at $13.99 million per person.

There are no changes to the annual gift exclusion ($19,000 in 2025) and step-up-in-basis rules.

Income Tax Brackets

The Tax Cuts and Jobs Act individual tax brackets (10%–37%) are now permanent.

Itemized Deductions

The State and Local Tax (SALT) deduction cap raised temporarily for 2025- 2029 from $10,000 to $40,000 and will be indexed 1% per year. For those with modified adjusted gross income over $500,000 the SALT deduction phases back down to $10,000. This includes state income taxes as well as real estate taxes on your personal residence, motor vehicle tax and some sales taxes.

The home mortgage interest cap is now permanent. This limits the mortgage interest you can deduct to the interest on the first $750,000 of your personal home mortgage. Remember this is only on itemized home mortgage deductions. Your farm interest is still deductible on your schedule F for example.

Above the line Deductions (deductible with or without itemizing)

Charitable deduction of up to $1,000 for individuals and $2,000 for joint filers without itemizing starts in 2026 and is permanent. The same documentation rules apply as an itemized deduction.

Car loan interest can now be deducted for new personal-use vehicles (purchased after 12/31/2024). This is only good for 2025-2028.

- $10,000 limit, with phaseouts starting at $100K Modified Adjusted Gross Income (single) and $200K (joint).
- Loan must be incurred after December 31, 2024
- Vehicle must:
    - Be brand new
    - Have final assembly occur in the United States
    - Have at least 2 wheels
    - Have primary use on public streets, roads, and highways
    - Be less than 14,000 pounds Gross Vehicle Weight
- A list of qualifying vehicles will be published on a VIN Decoder website. We will likely need the VIN number to file your return.
- A refinanced loan could qualify up to amount of original qualifying loan

1099 Reporting Changes

1099-MISC and 1099-NEC: Starting in 2026, the reporting threshold increases to $2,000 (up from $600) and adjusts for inflation after that.

1099-K (third-party apps like PayPal/Venmo): In 2025, you'll only get a form if you have both 200+ transactions and more than $20,000 in payments—but you still need to report all income.

Green Energy Credits Going Away

No credits for:

Energy-efficient windows, doors, HVAC, etc. after 12/31/2025.
Residential clean energy (solar, geothermal, etc.) will also end after 2025.
Energy efficient commercial buildings and new energy efficient home credits when construction started after June 30th, 2026.
Clean vehicle credits end 9/30/2025.

Meals

No change was made to business meals outside of specific fishing vessels and fish processing facilities, so we are left with the rules from the Tax Cuts and Jobs Act that eliminates the deduction for business meals for the employer's convenience in 2026 and beyond.

2025: Business meals still 50% deductible if provided onsite for the employer's convenience, and only if the worker is a W-2 employee.

2026 and beyond: No deduction at all for business meals.

No change to travel meals (while away from home for business) rules: Those subject to DOT rules can deduct 80% of the cost of their business meals. Those not subject to DOT rules are 50% deductible.

Premium Tax Credit

Beginning in 2026, the cap that limited how much of your health insurance premium credit you had to repay is gone. Families that are over 400% of the federal poverty level will once again not be eligible for any premium tax credit (back to the law before 2021).

If you underreport income to the marketplace, you could owe all of it back.

Report your income accurately to avoid surprises at tax time.

Depreciation Changes

Bonus Depreciation was reset to 100% permanently for purchases made after January 19th, 2025

Jan 1–19, 2025: Only 40% bonus available.

Jan 20th – Dec 31st, 2025: Choose 100% or 40% for the entire asset class.

Applies to assets with a 20-year life or less which includes most farm assets, including farm equipment, livestock, and machinery buildings.

Section 179 Starting for tax years after December 31st, 2024

The expense limit increases to $2.5 million (was $1.25 million), with phaseout starting at $4 million (was $3.13 million) of eligible asset purchases.

Fully phased out once eligible asset purchases exceed $6.5 million (was $4.38 million).

Tips and Overtime Deductions

Tips:

Employees in tipped industries can deduct up to $25,000 of qualified tips in tax years 2025-2028. Their occupation must be one that "traditionally and customarily" receives tips.

Total income must be under the Modified Adjusted Gross Income (MAGI) limits: $150K (single), $300K (joint).

Employers must report their occupation on W-2s.

Tips are still fully subject to Social Security and Medicare (FICA) taxes.

Overtime:

Employees subject to the Fair Labor Standards Act of 1938 (those whose employers are required to pay overtime too) can deduct the "premium" half of Overtime (OT) pay up to $12,500 single ($25,000 joint). For example, if normal pay is $20/hour and OT is $30/hour, only the $10 extra pay is eligible. If there are 10 hours of OT, $100 (10 hours x $10) is deductible.

Total income must be under the same MAGI limits as tips $150K (single), $300K (joint). This provision is also only good for tax years 2025 – 2028.

Most farmworkers are excluded from the requirement of the Fair Labor Standards Act (FLSA) overtime rules. Even if you pay overtime, it will not qualify.

New W-2 reporting boxes will be required for both tips and overtime information.

Child Tax Credit (CTC)

Permanently increases to $2,200 (was $2,000) per child under age 17 in 2025 (indexed for inflation starting in 2026)

$500 Dependent Credit for those 17 and older was made permanent.

The refundable portion remains at $1,700 (indexed for inflation).

Income phase-outs remain at $200,000 for single filers and $400,000 for joint filers.

Both the parent and the child must have valid Social Security Numbers to qualify.

Child and Dependent Care Tax Credit (CDCTC)

Starting in 2026, the maximum credit moves up to 50% (was 35%) of eligible expenses if your adjusted gross income (AGI) is less than $15,000. The credit percentage phases down based on AGI, from 50% to 20% if your income is more than $75,000 (single) or $150,000 (MFJ). The previous max credit was still 20% but was applied when incomes were over $43,000.

The eligible expenses max out at $3,000 for one child and $6,000 total for two or more.

Dependent Care Flexible Spending Account (FSA)

Starting in 2026, the limit permanently increases to $7,500 per household, up from $5,000

Married filing separately: $3,750 each

Remains pre-tax; use-it-or-lose-it rules apply

Employer-Provided Childcare Credit

Starting in 2026, large employers can claim a credit of 40% of qualified childcare expenses, up to $500,000.

Small employers can claim 50% of expenses, up to $600,000.

The credit can be used for onsite facilities, contracted care, or subsidies.

Small businesses are allowed to pool resources under simplified rules.

The provision is designed to increase employer-provided childcare access and affordability.

Trump Accounts – New Tax-Advantaged Child Savings Accounts (Starting 2026)

Children born from January 1, 2025, through December 31, 2028, receive a $1,000 government deposit into a new custodial "Trump Account."

Annual after-tax contributions of up to $5,000 (indexed for inflation) are allowed per child and count towards the annual federal gift tax exclusion.

Employers may contribute up to $2,500 annually (part of the $5,000 total contribution limit), subject to nondiscrimination rules and plan requirements as a tax-free fringe benefit.

Funds grow tax-deferred and cannot be withdrawn until the child turns 18; after that, standard IRA rules apply, including potential early withdrawal penalties before age 59½ if not withdrawn for a qualified purpose like secondary education, first time home purchase, etc.

Investment options are limited to diversified U.S. equity index mutual funds or ETFs—no individual stocks or alternative assets allowed and must be opened through an IRS-approved financial institution.

Children outside the birth window may still have an account open and funded but will not receive the $1,000 federal contribution.

This is a new account type and will have some clarification as they are set up and implemented in the next year.

Bottom Line

There are 870 pages of the One Big Beautiful Bill and it will take some time to get instructions and form changes from IRS so that we can fully know the impact of all these changes. Thankfully, most of the changes are extensions or making the rules we currently have permanent.

These changes will have an impact on your operation, so it is important to meet with your consultant for tax planning this year. If you would like additional early tax planning, you can call the office at 402-464-6324 or go to our website www.nfbi.net and schedule your appointment. If you haven't traditionally met for fall tax planning and would like to this year, please talk to your consultant to get on the schedule.

Husker Harvest Days 2025

BE ON THE LOOKOUT FOR A POSTCARD FROM NFBI!

The show will be held in Grand Island September 9, 10 & 11, 2025. The hours of the show are as follows: Tuesday and Wednesday 9 a.m.—4 p.m. everyday.

Don't forget to download the Husker Harvest Days app. It is available on App Store and Google Play. You can find the app by searching "Husker Harvest Days 2025" in your App Store.

Stop in, say "hello" and bring your postcard to our booth to receive a gift.

HUSKER HARVEST DAYS

OUR BOOTH IS LOCATED: In the Diversified Industries Building West.

Form 2290-Heavy Highway Use

Reminder: Please send in your signed 8879-EX 2290 Heavy Highway Use form by August 31st. contact Andrew (andrew@nfbi.net) or Brandon (brandon@nfbi.net) with questions or comments.

Office Closed

- September 1st for Labor Day
- November 27th & 28th for Thanksgiving

Important Dates

General Due Dates

- August 31, 2025 — Heavy Highway Vehicle Use
- (Form 2290)
- September 15, 2025 — 3rd Quarter Estimates
- January 15, 2026 — 4th Quarter Estimates

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"Yielding Success Through Financial Management"

NFB Crop Insurance Notes:

Wheat 2025 Harvest Price Set: For Revenue Protection policies, the Harvest Price for WHEAT has been set at $5.27for 2025.
Projected Price for 2025 Wheat (last fall) was $6.00
Harvest Price for 2025 Wheat is $5.27
With decrease in prices, you may have a revenue loss. Your guarantee stays the same. You could collect from a revenue loss OR a yield loss. Be sure to contact me asap, to ensure you get a claim filed.

Wheat 2025 Harvest: Contact your agent if you think there may be a loss. Contact your agent as soon as harvest is complete to report production bushels.

Planting Wheat in 2026?
Final Plant Date for 2026 Wheat: October 5th, 10th, or 15th*
(*Dates may vary depending upon location. Contact Brad for more info.)
Sales Closing for 2026 Wheat: September 30
(*Be sure to get wheat on your policy by this date, if planting this fall.)
Acreage Reporting Deadline for Wheat: November 15
Production Reporting Deadline for Wheat: November 14

Planting Wheat this Fall?
We can provide competitive rates and personalized service for your operation, no matter the size.
Give me a call today for a quote!

NFB Crop Insurance, Inc.

Chopping Silage?
Contact your agent BEFORE chopping silage for an appraisal to be completed.

Pasture Range & Forage (PRF) Coverage?
PRF coverage sign-up deadline is Dec. 1st. PRF is designed to allow you to buy protection for losses of forage produced for grazing or harvested for hay. If you are a livestock producer or utilize ground for haying, grazing, this may be a great option for you!

Hail or Wind Losses on Spring Crops:
If you see any losses while checking crops or as you begin harvest, contact your agent—within 72 hours of discovery of loss.
The earlier the better!

SDRP– Supplemental Disaster Relief Program
FSA offices are now taking applications for SDRP, Stage 1. This program is designed to provide producers with financial relief with losses of revenue, quality or production of crops due to certain weather related events in 2023 and/or 2024. SDRP Stage 2 will be announced at a later date.

Fall Harvest Preparation Notes :
- Keep irrigated and non-irrigated bushels separated.
- Keep production records separate for each farm/section/unit.
- NEW crop should not be combined with OLD crop in a bin until an appraisal is completed. Contact Brad if 2025 grain is still in the bin, to allow for an adjuster to take measurements.

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