



Farm News



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Farm Management Newsletter

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LDP'S

Please pay attention to the LDP'S during row crop harvest.

Tax Template

I e-mailed out the 2006 tax template and if you did not receive a copy and would like one, please call the office and I will get one out to you. If you want to run an estimate please give me a call. To run an estimate, you will need to get your 2006 depreciation amount from your tax preparer.

Section 179

This year the section 179 expense is **\$108,000**, up from \$105,000 last year.

How Much can I pay my Children

Your children can make about **\$5,150** and owe no income tax. If you are a sole proprietor and your children are **under 18 year's old**, no social security would be owed on those wages. If you pay your children, it must be for work done on the farm, reasonable for the work done, and needs to be documented. Also, you should pay them before the end of year.

Claiming your Child as a Dependent

Many of you are paying your children to work for you, or they have other jobs. Keep in mind that in order to claim a dependent as an exemption, you must meet certain tests. The personal exemption this year is \$3,300. To qualify for the support test you must provide over one-half of the dependent's support for the year. Support includes the cost of lodging, food, clothing, medical and dental care, travel/recreation, transportation, contributions, education, and other similar items. Your dependent's support encompasses items used for pleasure as well as necessary items. Please keep this in mind when doing your tax planning.



**Have a Great and Safe Row Crop Harvest!
Make everyday SAFETY DAY!**