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Farm Filings Tax Series

Session 3: Tax Preparation and Updates

Presented by

Neil Narveson of Compeer Financial



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Our FIND YOUR ROUTE search tool helps farmers in the Chicago foodshed find programs and services to meet the needs of their growing farm businesses.



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Connect and network with farmers and agricultural experts from across the Chicagoland region with help from our dedicated PARTNER ORGANIZATIONS.



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Neil Narveson, CPA
Manager Tax and Accounting





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TAX UPDATE & PLANNING

March 23, 2021



CHARITABLE GIVING

\$300 cash donation without itemizing in 2020



RETIREMENT PLAN DISTRIBUTIONS

- Easing of distributions from retirement plans up to \$100,000 due to Covid-19.



529 EDUCATION SAVINGS PLAN

- **State deductions:**
 - MN \$3,000 Joint
 - WI \$3,340 / beneficiary
 - IL \$20,000 / beneficiary



DEPRECIATION

- 2020 Depreciation 179 election \$1,040,000
- Phase out starts at \$2,590,000 dollar for dollar



LIKE-KIND EXCHANGE

- Like-Kind Exchange: personal property no longer qualifies.
- Like-Kind Exchange: real estate, if it involves buildings it is not as easy as bare land.



INCOME

- **Government payments: FSA, State and other special payments added to income, not deferrable.**
- **Insurance: DRP milk, crop insurance (be aware of any 2019 deferred crop insurance).**
- **PPP loan program**



MAXIMIZE INCOME TAX SAVINGS

- Income Averaging
- 199A Deduction



TAX PLANNING: UNUSUAL INCOME BUT TOUGH TIMES

- May have some income bunching due to added government payments, will it be lower next year?
- Prepay expenses
- Defer grain sales but not sacrifice sound marketing decisions
- Retirement accounts Personal accounts
- Be aware of Market Place Health Insurance credit repayment
- Retirement Plans Set up employee plans

A large, light blue outline of a house with a chimney on the left side, set against a dark teal background. The house has a simple, modern design with rounded corners.

QUESTIONS?

A short, horizontal yellow line positioned below the word "QUESTIONS?".

A large, light blue outline of a house with a chimney on the left side, serving as a background for the text.

THANK YOU

A short, horizontal yellow line positioned below the text.

THANK YOU!



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