

Citrus Notes



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March 2015

Dear Growers,

Inside this Issue:

*Last month I had indicated that the USDA in Ft. Pierce was located on 2001 S. Rock Ridge Road. That was in error, it is located at **2001 S. Rock Road.***

The following are grower events planned for the near future:

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April, 7th 2015 Florida Citrus Growers' Institute

April, 8th USDA/ARS Annual Open House

September, 15th Certified Pile Burner Course

Enjoy the issue,

Chris Oswalt
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863-519-1052
P.O. Box 9005, Drawer HS03
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2015 Florida Citrus Growers' Institute

The 2015 Florida Citrus Growers' Institute will be held on Tuesday, April 7, 2015 at South Florida State College, Theatre for Performing Arts in Avon Park.

The program brochure, along with registration information, is included as a separate file in this email or as an enclosure.



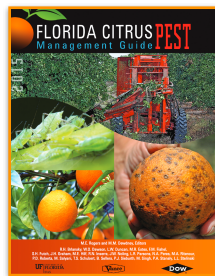
USDA/ARS Annual Open House

The USDA/ARS in Ft. Pierce will be holding their annual open house from 11:00 a.m. to 3:00

p.m. on Wednesday, April 8, 2015. The center is located at 2001 S. Rock Road, Ft. Pierce.

2015 Florida Citrus Pest Management Guides

The new 2015 edition of the Florida Citrus Pest Management Guide is now available. If you would like to have a copy, they are available at the Extension offices in Bartow and in Seffner.



Certified Pile Burner Course

The Florida Forest Service and University of Florida Cooperative Extension Service will be conducting a Certified Pile Burners Course on Tuesday, September 15, 2015. This course will show you how to burn piles *legally, safely and efficiently*. Most importantly, it could

save a life. If you burn piles regularly,

don't put off registering for this training. When the weather is dry, certified pile burners will receive priority for authorization to burn. Also, certified pile burners are allowed to burn up to two hours longer per day and

get multiple day authorizations. Don't wait. The number of trainings offered and attendance at each training is LIMITED. This training will be held from 8:30 am till 4:30 pm at the Stuart Conference Center, Bartow, Florida. Included are a registration form and program agenda.

Registration is required to attend and class size is limited. To attend please send the following information (see attached form):

1. Your full name (as wanted on your pile burning certificate).
2. Your mailing address (where you want the certificate mailed).
3. Your Florida Forest Service Customer Number (It is the number that you are required to give the FFS when you call in for your burn permits. If you do not know it please call the local FFS office and ask them to create one for you).
4. Your email address (if you have one) and/or contact phone number.
5. A check made out to: Polk County Extension Citrus Advisory Committee Inc. for \$50.00.

The first fifty individuals to provide these five requirements will be registered; there will be a 7-day non refundable fee limit. If you do not make the training and did not contact our office at least one week before the class, you will not receive a refund. There will be a test at the end of the session. You must receive a grade of 70% or higher on the exam and demonstrate a proper pile burn with your local FFS office to become certified. Once you are certified it will be noted with your customer number, thus it is important for us to have the proper number. If you do not have a customer number the FFS office will set one up for you. Fill out the attached registration form and return as directed.

Agricultural Tax Planning - The New Tangible Property Regulations Revenue Procedure 2015-20

(Author: Thomas J. Bryant, CPA and Ryan Beasley, CPA).

On February 13, 2015 the IRS issued Revenue Procedure 2015-20 (Rev. Proc. 2015-20) which permits small business taxpayers to use an easier method to comply with the new Tangible Property Regulations

(TPR's). Small business taxpayers, if they choose, may apply the new TPR's on a forward looking basis only beginning with the first tax year on or after January 1, 2014. This new procedure may be of benefit to some small businesses, but may not be the best choice for agricultural businesses as our operations are very capital tangible property intensive. The Rev. Proc. does provide a simplified method for compliance, but taxpayers will forgo some opportunities and benefits if this method is used.

Rev. Proc. 2015-20

Rev. Proc. 2015-20 permits small business taxpayers to make certain tangible property changes in methods of accounting with an adjustment under IRC Section 481(a), **without filing any Forms 3115**, taking into account **only** amounts paid or incurred, and dispositions, in taxable years **beginning on or after January 1, 2014**. In other words, a small business taxpayer can comply with the new TPR's by making the appropriate changes to his or her methods of accounting with no look back or filing of any Forms 3115. This is accomplished by filing a tax year 2014 return that is in compliance with the new TPR's as of January 1, 2014. For this Rev. Proc., a small business is defined "as a business with total assets of less than \$10 million or average annual gross receipts of \$10 million or less for the prior three taxable years".

Implications

There are a number of potential benefits and opportunities that will be lost if the simplified method for compliance in Rev. Proc. 2015-20 is adopted and **no Forms 3115 are filed** as described below.

- Taxpayers not eligible to apply Rev. Proc. 2015-20 and those eligible but choose not to apply the Rev. Proc. are required to perform a review (look back) of their capitalized assets on the books at the start of their 2014 tax year and make appropriate adjustments to bring their asset accounting into compliance with the new regulations. This will result in a 481(a) adjustment to income that includes prior year corrections. Appropriate Forms 3115 are required and this adjustment **must be made in tax year 2014**. By adopting the

Rev. Proc. 2015-20 simplified method, the taxpayer forfeits the ability to remove assets capitalized in earlier years that are now expensed under the new regulations and loses an additional deduction. Also, assets not required to be capitalized but not removed from the books will result in a higher income tax upon disposition due to depreciation recapture. Expenditures in prior years that now require capitalization must also be adjusted.

- Under the new regulations, all capitalized tangible property must be a "Unit of Property" (UOP) or a component of a UOP. Forms 3115 are used by taxpayers to establish what constitutes a UOP for the taxpayer's particular business. By adopting the simplified method of compliance, the taxpayer forfeits the opportunity to clearly define his or her units of property.
- Protection from IRS audit adjustments for prior years is lost.
- The ability to currently deduct removal costs on asset improvements as this also requires the filing of a Form 3115 is forfeited.
- The ability to clearly define what constitutes incidental and non-incidental materials and supplies for the taxpayer's particular business is lost.

In summary, a taxpayer **forfeits** the above opportunities and benefits by selecting the simplified method, **but still must comply with all of the new TPR's except for the look back.**

Possible Increase in the De minimis Safe Harbor Limit

This Rev. Proc. also addresses another aspect of the new TPR's. The IRS is requesting comments on whether the de minimis limit of \$500 applicable to most small business taxpayers should be increased and if so, how much. Any increase of the \$500 limit would be welcomed and I will let you know if anything develops in this area.

Summary

This simplified method may be advantageous for some small business taxpayers. However, agricultural businesses are very capital tangible property intensive and in almost all cases, the simplified method will not benefit farmers.

Consult with your tax professional and remember, the following opportunities and benefits will be lost if you adopt the simplified method under Rev. Proc. 2015-20.

- **The ability to remove the remaining basis of assets capitalized in prior years that can now be expensed, securing an additional deduction in tax year 2014.**
- **The opportunity to clearly define the units of property of your business.**
- **Certain protection from IRS audit adjustments for prior years.**
- **The ability to currently deduct removal costs on asset improvements.**
- **The ability to clearly define what constitutes incidental vs. non-incidental materials and supplies.**

Implementation of the new TPR's is ongoing and we do not know at this time what the long-term outcome will be.

This Rev. Proc. does not affect the De minimis Safe Harbor Election, the Routine Maintenance Exception or the Small Business Exception for buildings as these provisions do not require the filing of a Form 3115.

For information **on this topic only**, please contact me at (863) 640-2008 or tom@beasleybryantcpa.com.

For information on other tax planning for farming, please contact me at (863) 640-2008 or tom@beasleybryantcpa.com and /or Ryan Beasley at (863) 646-1373 or ryan@beasleybryantcpa.com.

For information on other relevant topics visit our website at www.beasleybryantcpa.com. We at Beasley, Bryant & Company, CPA's, P. A. are experienced in

agricultural business problems, tax issues or concerns, and are here to help you.



Pesticide News & Information

Hillsborough County to Host Free Agriculture Pesticide Collection April 30th

Hillsborough County's Agriculture Industry Development Program is organizing an Agriculture Pesticide Collection Day **on April 30th from 8 a.m. - 2 p.m.** at EQ Florida, 7202 E. 8th Ave. in Tampa.

The Agriculture Pesticide Collection Day is in partnership with the Hillsborough County Extension Service, and the Environmental Protection Commission of Hillsborough County. The collection effort is part of an initiative to provide a free pesticide disposal service for Hillsborough County agricultural operations. Pesticide manufacturers and distributors, homeowners, universities and government institutions, including state, county and local government pesticide users, are not eligible to participate.

The purpose of the program is to eliminate potential public health and environmental hazards from stored pesticides that are out-of-date, suspended or unusable. The program also further educates agricultural pesticide users on proper handling, storage, and management practices.

Funding for the collection has been made available through the Environmental Protection Commission Pollution Recovery Fund. This funding is limited; therefore once it is exhausted the collection will be closed.

For more information, contact Simon Bollin, Agriculture Industry Development Program Manager, Hillsborough County Economic Development Department, at (813) 276-2735.

Registration Form

Florida's Certified Pile Burner Program
Tuesday, September 15, 2015

Polk County Cooperative Extension Service
Stuart Conference Center
1710 US Highway 17 S, Bartow, FL 33830
863-519-1041

Please send this form and a check for \$50.00 made payable to:

Polk County Extension Citrus Advisory Committee Inc.

**Mail to: Polk County Cooperative Extension Service
Attn: Gail Crawford
P. O. Box 9005, Drawer HS03
Bartow, FL 33831**

Name

Mailing address

Email address

Phone Number

FFS Customer Number



Florida's Certified Pile Burner Training
Tuesday, September 15, 2015
Stuart Conference Center
1710 US Highway 17 S, Bartow, FL 333830
(863) 519-1041

All Times Are Local

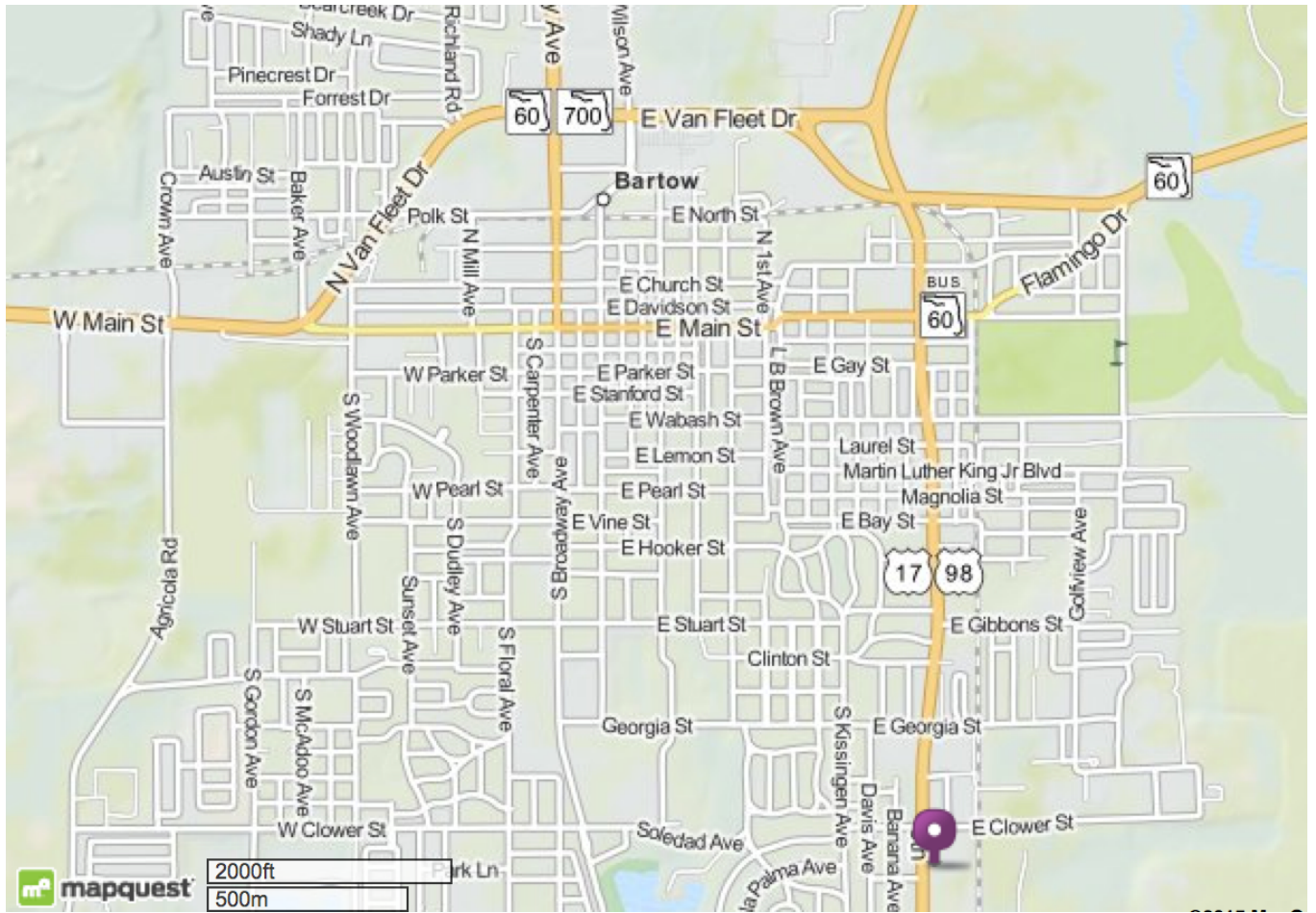
1. Opening Comments and Introduction	08:30 – 09:10
2. Fire Weather	09:10 – 09:50
3. BREAK	09:50 – 10:00
4. Smoke Management	10:00 – 11:20
5. Open Burning Regulations	11:20 – 12:15
6. LUNCH (provided)	12:15 – 01:15
7. Planning and Implementation	01:15 – 02:30
8. Safety	02:30 – 03:10
9. BREAK	03:10 – 03:20
10. Public Relations	03:20 – 04:00
11. Wrap Up & Test	04:00 – 04:30

Please bring a Pencil for the Exam!



Stuart Conference Center

1710 US Highway 17 S, Bartow, FL 33830 (863) 519-1041





Florida's Certified Pile Burner Training *Frequently Asked Questions*

Q: Why should I be a certified pile burner?

A: Certified pile burners are trained to burn piles **legally, safely and efficiently**. Most importantly, it could save a life. Also, when the weather is dry, certified pile burners will receive priority for authorization to burn by the Florida Forest Service (FFS). Also, certified pile burners are allowed to burn up to two hours longer per day and get multiple day authorizations.

Q: What is a Pile Burner Customer Number?

A: When you call the FFS for an authorization to burn, you will be assigned a personal customer number. This number references your information so it doesn't need to be gathered each time you call for an authorization. You must have your individual FFS customer number in order to be certified.

Q: Is there a test?

A: Yes, the test is 20 questions and open-book. You must receive a score of at least 70% to pass.

Q: What if I don't pass?

A: Very few people fail the test but if you do, you will be provided another opportunity to take the test at a later date. If you fail the second time, you must re-register and take the training again.

Q: Why do you ask for my email on the application form?

A: Email is the fastest and most convenient method to inform registrants of their registration status. If no email address is provided then all correspondence will be sent through the federal mail. This can take several days to relay messages and this may not be practical if changes are made to the course schedule or for last minute registrations.

Q: How much does it cost to register for the training?

A: Registration for the training is \$50 per person and includes lunch, training materials and testing.

Q: How long does my certification last, and how long do I have to complete the certification from the time I finish the class?

A: As long as the person with the certification uses their number at least 5 times in a period of 5 years their certification will not expire under the current program. You **MUST** complete the certification burn within a year of taking the class.

Q: Will certified burners be notified if their certification expires?

A: Yes, notification will be sent out to them to let them know of their upcoming certification expiration date.

Q: Will I be certified at the end of the one day training?

A: No, you will need to follow the written instructions that you will receive from the FFS to become certified. You will need to complete a simple burn plan, have it reviewed and approved locally by the FFS and also have the burn itself reviewed and approved by the FFS.

Q: Is there a minimum age to be a certified pile burner?

A: Yes, you must be at least 18 years old to take the test and be a certified pile burner.