

Citrus Notes

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Dear Growers,

The following are grower events planned for the near future:

<i>March 3rd</i>	<i>March OJ Break</i>
<i>April 5th</i>	<i>2016 Florida Citrus Growers' Institute</i>

Enjoy the issue,

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March OJ Break



Our March 2016 Polk County Citrus Grower's OJ Break will be held at the UF/IFAS Citrus Research and Education Center, BHG Hall, 700 Experiment Station Rd., Lake Alfred. The OJ Break will begin on Thursday, February 4, 2016, at 10:00 a.m. and we will have the following presentations dealing with citrus nutrition.

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|------------|---|
| 10:00 a.m. | Management of Postbloom Fruit Drop (PFD) and Citrus Canker.
Dr. Megan Dewdney UF/IFAS |
| 10:50 a.m. | Break |
| 11:00 a.m. | Management and Control of <i>Diaprepes</i> Root Weevils on HLB Affected Citrus Trees.
Dr. Larry Duncan UF/IFAS |
| 11:30 a.m. | Rootstocks, Root Health and <i>Phytophthora</i> Management in HLB Infected Citrus Trees.
Dr. Evan Johnson UF/IFAS |
| 12:00 p.m. | Lunch |

Roy Morris and Bayer CropScience will be sponsoring lunch, so we will need you to pre-register by contacting Gail Crawford by phone at 863-519-1042 or email her at: dorothy@ufl.edu. **Please register by Tuesday, March 1, 2016.**

There will also be 2.0 CEU's offered for the Restricted Use Pesticide License (Private Applicator, Ag Tree Crop or Demo & Research) and 2.0 CEU's for Certified Crop Advisors (in Crop and Pest Management).

2016 Florida Citrus Growers' Institute

The 2016 Florida Citrus Growers Institute will be held in Avon Park at the South Florida State College Campus. The Institute will be on Tuesday, April 5, 2016, in the Theater for Performing Arts. The program agenda and a registration brochure is included. Online registration can be done at the following link: <https://www.picatic.com/institute2016>. We look forward to seeing you at this year's Institute.



Brazil Citrus Tour, June 18-25, 2016

Dr. Steve Futch is looking at taking another group of citrus growers to Brazil to see their

citrus industry. The tentative dates are June 18-25, 2016. As in the past, we will depart on Saturday (June 18) with arrival in Brazil on Sunday morning. Our citrus visits will begin on Monday morning and our group will depart Brazil on Friday evening with arrival back to Florida on Saturday morning, June 25th. We will spend the entire week in the state of Sao Paulo looking at citrus operations to see how they are working on control measures to manage HLB. In the past, we have visited groves, citrus nurseries, and packing houses. Each tour has been slightly different, with actual stops to be determined in the near future.

Once we get 10 people that commit to going on the citrus tour, we will be developing a complete itinerary with locations visited. We anticipate the trip to cost approximately \$2,500 per person, which will include hotel, ground transportation and airfare to and from Florida. The final cost may vary slightly due to exchange rates, increases in airfare, and the total number

of participants participating in the trip. The maximum number of participants is limited to 15.

If you are interested in traveling to Brazil in June 2016, please call Dr. Futch at: 863-956-8644 or by email: shf@ufl.edu, and he will add you to a list of possible participants.

Agricultural Tax Planning - 2015 Tax Filings

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

Federal, state and local taxes including licenses and permit fees are levied on virtually all businesses. This month's article will focus on the major federal and state tax returns and information returns that most Florida farmers have filed or will be filing for tax year 2015. This article does not address every possible return or form that may be required nor does it address federal or state estimated and quarterly payments and Florida Sales and Use Taxes. Brief explanations are provided for a few of the forms listed. All forms listed are annual unless otherwise indicated.

FEDERAL:

- Form 1099 and Form 1096-Miscellaneous and other non-employee income
- Form W-2 and Form W-3 -Employee wages and withholdings
- Form 940 -Unemployment (FUTA)
- Form 941 (Quarterly)-Wages and withholding
- Form 943 -Agricultural wages and withholding
- Form 944 -Small businesses wages and withholding
- Form 1120-Corporate income tax
- Form 1120-S-S-Corporation income tax
- Form 7004-Various federal return extension requests
- Form 1040-Individual income tax (Including Schedule F & Schedule C)
- Form 4868-Request for individual income tax filing extension
- Form 1065-Partnership return
- Form 1041- U. S. Income Tax Return for Estates and Trusts

- Form 720- Quarterly Federal Excise Tax Return
- Form 1095A- (Affordable Care Act required form)
- Form 1095B- (Affordable Care Act required form)
- Form 1095C- (Affordable Care Act required form)

STATE

- Form RT-6-Florida Department of Revenue Employer's Quarterly Report
- Form F-1120-Florida Corporate Income/Franchise and Emergency Excise Tax Return
- Form F-1065-Florida Partnership Information Return
- Form F-7004-(Extension of time to file income / franchise return)
- Florida Annual Report

COUNTY

- DR-405-Tangible Personal Property Tax Return

Form 1099-MISC

Form 1099-MISC – Report amounts aggregating \$600 or more in any one year paid to **non-employee individuals and unincorporated parties** in the course of your trade or business for **services performed**, such as payments to day laborers, repairmen, veterinarians, etc. Payments for rents aggregating \$600 or more are also reportable, except payments of rents to real estate agents. Payments for merchandise and payments to most corporations are not reportable. However, payments to corporations for **healthcare and medical services are reportable including payments to incorporated vets**. Payments to **attorneys** including those incorporated are also required to be reported. There are other Form 1099's but we have commented only on Form 1099-MISC.

Forms 1099 for 2015 were required to be given in person or mailed to recipients by February 1, 2016. Copies furnished to the IRS were due by February 29, 2016 along with transmittal Form 1096 if you are filing with the IRS in paper form. If you are filing 250 or more information returns of any one type, you are required to file electronically with the IRS using a different transmittal form and the due date is extended to March 31, 2016.

Each failure to comply with the filing requirements could result in a \$50 penalty.

Form 940, Employer's Annual Federal Unemployment (FUTA) Tax Return

Form 940 is used to calculate your FUTA tax liability for 2015, taking into account the Florida reemployment (unemployment) tax payments made. If you made all of your deposits on time, you had until February 10, 2016 to file the form. Otherwise the due date was February 1, 2016. Agricultural employers who meet certain thresholds are required to file Form 940.

Form 943, Employer's Annual Federal Tax Return for Agricultural Employees

This form is used to report annual Ag wages paid and federal taxes withheld and deposited during the year. The return was due February 1, 2016 but could be filed as late as February 10, 2016 if all tax deposits were timely made.

Form 944, Employer's Annual Federal Tax Return

Form 944 is used by small employers, \$1,000 or less in total taxes withheld for the year. No deposits are required during the year and the taxes can be paid with the filing of the return. You cannot use Form 944 unless you are notified to do so by the IRS. You may opt out or receive permission to use Form 944 by making a request to the IRS.

Form 1120, U.S. Corporation Income Tax Return

Form 1120 is filed by orchard growers, farmers and other businesses operating as C- Corporations. Other types of organizations, such as LLC's may elect to file as corporations. The due date for filing Form 1120 is the 15th day of the third month following the close of the tax year. For calendar year **2015** filers, this year's due date is **March 15, 2016**.

Form 1120-S, U.S. Income Tax Return for an S-Corporation

Organizations electing to be taxed as S-Corporations must file Form 1120-S. The due date is the same as that of Form 1120.

Form 7004, Application for Automatic Extension of Time to File

Form 7004 is used to request an extension of time to file a multitude of federal forms including Form 1120, Form 1065, and Form 1041, among others. Form 7004 must be filed by the original due date of the return being extended. The extension is for **filing** only. Any tax due must also be paid by the original due date of the return being extended.

Form 1040, U.S. Individual Income Tax Return

The individual income tax rates are the same for 2015 with the top tax rate of 39.6%, but the brackets have been indexed for inflation. The top capital gains rate remains at 20%. The Medicare surtax on earned income of 0.9% and the 3.8% Medicare surtax on investment income also remain the same.

The new personal exemption amount is \$4,000, but is reduced as your income exceeds certain thresholds. Itemized deductions have similar reductions. The standard mileage rate for vehicles used in a trade or business is 57.5 cents per mile for 2015. Single member LLC's are disregarded for federal income tax purposes and are included in the individuals Form 1040 on the appropriate schedule. The due date for the **2015** Form 1040 is **April 18, 2016**.

Schedule F is used to report income and expense from farming operations and Schedule C for other businesses. Farmers who owed tax but did not make an estimated payment on January 15, can file Form 1040 by March 1, 2016, pay the tax due and avoid a late payment penalty.

Form 4868, Application for Automatic Extension of Time to File

Individuals can request an automatic extension of time to file Form 1040, but this does not extend the time to pay any tax due. Extensions for **2015** are due by **April 18, 2016**.

Form 1065, U.S. Return of Partnership Income

This form is used to report income, gains, losses, deductions, credits, etc., of a partnership. Multiple mem-

ber LLC's are usually treated as partnerships for federal income tax reporting. Form 1065 for **2015** is due **April 18, 2016**.

Florida Annual Report

The Florida Annual Report is filed with the Florida Department of State, Division of Corporations. The report is due **May 1st** of each year. All corporations, LLC's, LP's, and LLLP's must file the report. The annual fee for "for profit" corporations is \$150; non-profit corporations, \$61.25; LLC's \$138.75 and \$500 for limited partnerships and limited liability limited partnerships. After May 1st, a late filing fee of \$400 will be assessed on all entities required to file, except for non-profits. The report is filed online.

Summary

Electronic filing (e/filing) is desired and in some cases required by federal and state governments. This article does not cover all tax returns and reports that farmers and orchard growers may be required to file in any one year. It does however; highlight the **volume** and **complexity** that Florida farmers and growers encounter today in complying with Federal and Florida tax laws. As a reminder, substantial penalties could result in any failure to comply with governmental filing requirements.

For information on this topic and 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. Please visit our website at www.beasleybryantcpa.com for information on other relevant topics.

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

EPA Releases the First of Four Preliminary Risk Assessments for Insecticides Potentially Harmful to Bees

The EPA has announced a preliminary pollinator risk assessment for the neonicotinoid insecticide, imidacloprid, which shows a threat to some pollinators. EPA's assessment, prepared in collaboration with California's Department of Pesticide Regulation, indicates that imidacloprid potentially poses risk to hives when the pesticide comes in contact with certain crops that attract pollinators.

"Delivering on the President's National Pollinator Strategy means EPA is committed not only to protecting bees and reversing bee loss, but for the first time assessing the health of the colony for the neonicotinoid pesticides," said Jim Jones Assistant Administrator of the Office of Chemical Safety and Pollution Prevention. "Using science as our guide, this preliminary assessment reflects our collaboration with the State of California and Canada to assess the results of the most recent testing required by EPA."

The preliminary risk assessment identified a residue level for imidacloprid of 25 ppb, which sets a threshold above which effects on pollinator hives are likely to be seen, and at that level and below which effects are unlikely. These effects include decreases in pollinators as well as less honey produced. For example, data show that citrus and cotton may have residues of the pesticide in pollen and nectar above the threshold level. Other crops such as corn and leafy vegetables either do not produce nectar or have residues below the Threshold. Additional data is being generated on these and other crops to help EPA evaluate whether imidacloprid poses a risk to hives.

The imidacloprid assessment is the first of four preliminary pollinator risk assessments for the neonicotinoid insecticides. Preliminary pollinator risk assessments for three other neonicotinoids, clothianidin, thiamethoxam, and dinotefuran, are scheduled to be released for public comment in December 2016.

A preliminary risk assessment of all ecological effects for imidacloprid, including a revised pollinator assessment and impacts on other species such as aquatic and terrestrial animals and plants will also be released in December 2016. In addition to working with California, EPA coordinated efforts with Canada's Pest Management Regulatory Agency. Canada's Imidacloprid pollinator-only assessment – also released in January – reaches the same preliminary conclusions as EPA's report.

The 60-day public comment period will begin upon publication in the Federal Register. After the comment period ends, EPA may revise the pollinator assessment based on comments received and, if necessary, take action to reduce risks from the insecticide.

In 2015, EPA proposed to prohibit the use of pesticides that are toxic to bees, including the neonicotinoids, when crops are in bloom and bees are under contract for pollination services. The Agency temporarily halted the approval of new outdoor neonicotinoid pesticide uses until new bee data is submitted and pollinator risk assessments are complete. (EPA Pesticide Program Updates, 1/28/16).

Belay® Insecticide

On January 15, the Florida Department of Agriculture and Consumer Services (FDACS) approved the Section 18 emergency exemption for the use of clothianidin on immature (3 to 5 years old) citrus trees to manage the transmission of Huanglongbing (HLB) disease caused by the Asian citrus psyllid (ACP). The product, Belay® Insecticide, EPA Reg. No. 59639-150, containing 23.6% clothianidin, is manufactured by Valent U.S.A. Corporation. (FDACS letter, 1/15/16).

Revus® Fungicide

FDACS has cancelled the Special Local Need registration effective December 15, 2015 for the use of REVUS® (mandipropamid) EPA SLN NO. FL-140008 (EPA REG. NO.100-1254) for use in non-bearing citrus grown in the greenhouse for control of Phytophthora root rot. This use has been added to the FIFRA Section 3 label for REVUS® (FDACS letter, 12/15/15).

Movento® MPC Insecticide

On February 9, the Florida Department of Agriculture and Consumer Services (FDACS) revised the special local need registration for the use of Bayer CropScience Movento® MPC, EPA Reg. No. 264-1065, for use on citrus crops to control Asian citrus psyllid during bloom periods. The registration maintains the same assigned EPA SLN No. FL- 140004 along with any other applicable conditions, restrictions, and precautions noted in the original FDACS approval letter dated June 26, 2014. (FDACS letter, 2/9/16).

Attached UF/IFAS Sheet on Scheduled Fungicidal Spray Timing

In the last issue of Citrus Notes I made mention to a citrus fungicidal spray timing chart. Guess what? I didn't get it attached to the newsletter so I'll try it again this month. If you find something missing, please let me know and thanks for your patience.