

# Citrus Notes



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*Dear Growers,*

*The following are grower events planned for the near future:*

- |                                     |                                     |
|-------------------------------------|-------------------------------------|
| <i>August, 19 - 20<sup>th</sup></i> | <i>Citrus Expo</i>                  |
| <i>September, 15<sup>th</sup></i>   | <i>Certified Pile Burner Course</i> |

*Enjoy the issue,*

Chris Oswalt  
Citrus Extension Agent  
Polk/Hillsborough Counties  
863-519-1052  
P.O. Box 9005, Drawer HS03  
Bartow, FL 33831-9005

## ***Postbloom Fruit Drop Survey***

PFD has been a problem around the state for many growers this season. To gain a better understanding of the level of infection and the effectiveness of the management programs being used, a survey has been designed to gather the information. The online survey is accessible through the computer and mobile devices and will be available through Friday, July 10<sup>th</sup>. You will find the survey at [https://ufl.qualtrics.com/SE/?SID=SV\\_0cD-B03Trvw5o4Tz](https://ufl.qualtrics.com/SE/?SID=SV_0cD-B03Trvw5o4Tz). It can be started, left, and resumed from the same device or computer if needed.

If you have any questions about the survey or PFD, please contact Megan Dewdney ([mmdewdney@ufl.edu](mailto:mmdewdney@ufl.edu) or 863-956-8651) at CREC.

## ***2015 Citrus Expo***



Registration is now open for the 2015 edition of the Citrus Expo to be held at the Lee Civic Center, 11831 Bayshore Road, North Ft. Myers, FL 33917. The dates for this year's Expo are August 19-20, 2015. Registration can be done using the following link: <http://www.citrusexpo.net/>



## ***Certified Pile Burner Course***

The Florida Forest Service and the 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.

## ***Citrus Soil and Leaf Sampling***

Now is the time to collect your citrus leaf and soil samples for analysis. As a quick review, leaf samples should be comprised of hardened off, three to six month old spring flush leaves from non-fruiting twigs.



One hundred leaves from 15 to 20 trees should be collected for analysis. You can also take your soil samples cores from these same trees. A couple of six inch deep soil cores should be collect-

ed from each tree and thoroughly mixed together in a clean bucket. A composite subsample should be taken and sent to the laboratory for analysis.

Typically the number of samples taken should be representative of the smallest production area that you are willing to manage. Soil and leaf analysis can help to potentially quantify problem areas in a grove or block if the sample is compared to an analysis of a more normal healthy production area.

Foliar applications of nutritional sprays can affect micro nutrient analysis. Samples taken from sprayed leaves should be acid washed before proceeding with analysis. If leaves are not acid washed, the analysis will indicate not only the nutrients contain in the leaves, but also what is on the leaves.

### ***2015 Atlantic Hurricane Season Forecast Updated***



This time of the year is when the folks at

Colorado State University update their hurricane prediction forecast for 2015. Drs. Klotzbach's and Gray's June forecast predictions call for an extremely quite Atlantic hurricane season. The least active since the mid 20<sup>th</sup> century. This forecast for a below average hurricane season is partly based on the prediction for the development of a moderately strong El Niño developing into the summer and fall.

This year's forecast is for eight named storms (this is up one storm from the April forecast), compared to the 12 storm average from 1981 - 2010. Of these named storms, only three are predicted to become hurricanes, compared to the past average (1981-2010) of 6.5. The

forecast indicates that only one of these three hurricanes will develop into a major (category 3, 4 or 5) hurricane, compared to the average of two from 1981-2010.

The probabilities of this one major hurricane making landfall on the following coastal areas are as follows:

Entire U.S. Coastline 28% (average for last century 52%)

U.S. East Coast including Peninsula Florida 15% (32% average)

Gulf Coast from the Florida Panhandle to Brownsville Texas 15% (30% average). This is down ten percent from the April forecast.



### ***2015 NOAA Hurricane Forecast***

The National Oceanic and Atmospheric Administration's, Climate Prediction Center has issued the following hurricane forecast for this season.

For the Atlantic basin the forecast is for a 70% chance of having a below average hurricane season. The forecast is for six to eleven named storms, with three to six of these developing into hurricanes and zero to two of these developing into major hurricanes. The forecasted below average hurricane season is due to persistent El Niño conditions through 2015.

### ***Agricultural Tax Planning - Repair or Capitalization under the New Tangible Property Regulations***

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

The Unit of Property (UOP) is an important factor in determining whether an expenditure is a repair or capital item under the new Tangible Property Regulations (TPR's). Equally important is the decision to properly prepare and file the appropriate Forms 3115- Application for Change in Accounting Method. Filing the appropriate 3115's and defining what your units of property are will have an impact on the current deductibility of future expenditures. For the present, this is the

last in the series of the Tangible Property Regulations articles.

### **Filing Forms 3115 – Use it or Lose it**

As discussed in an earlier article, the IRS in Mid-March released Rev. Proc. 2015-20 that permits “small business taxpayers” to adopt the new regulations for tax year 2014 and forward only, a simpler method of compliance. Taxpayers not eligible for this small business election and those choosing not to make the election are required to scrub their fixed assets as of January 1, 2014 and either remove or add assets to bring their accounting methods into compliance with the new TPR’s. In almost all cases this will require the filing of Forms 3115 and what is referred to as an IRC Section 481(a) adjustment in tax year 2014. By filing the appropriate Forms 3115 and making the 481(a) adjustment, the taxpayer locks in certain benefits as shown below that will otherwise be lost.

- The ability to remove assets capitalized in prior years that may now be expensed under the new TPR’s, thus generating an additional deduction in tax year 2014. The taxpayer must also add what would have been the remaining depreciation for items that were incorrectly expensed and pick up a corresponding amount of income.
- By filing the Forms 3115, the taxpayer has the opportunity to more clearly define his units of property, thus creating the possibility of higher expense deductions in future years.
- The filing of Forms 3115 gives the taxpayer audit protection for years 2012, 2013, and 2014 for repairs and maintenance.
- The ability to currently deduct removal costs on asset improvements.
- The ability to clearly define what constitutes incidental materials and supplies (currently deductible) vs. non-incidental materials and supplies that are deductible only when used.

All of the above benefits will be forfeited or lost if the taxpayer **does not** file the appropriate Forms 3115. The **importance** of the above discussion is that if you elected the simplified method of adoption, or thought that you were already in compliance and did not file any Forms 3115, **you have the ability to file an amended Form 1040 (individuals) and all of the appropriate Forms 3115, if done within the six month extension period, October 15, 2015 for calendar year filers.** For corporations, partnerships, and trusts, the extended due date is **September 15, 2015** for calendar year taxpayers. **Understand, if you did not file any Forms 3115 or scrub your assets you have until the extended due dates listed above to do so. There will be no fees involved and the new return filed will take the place of the original return as if it had not been filed. Conversely, by not filing the appropriate Forms 3115 in the tax year 2014, you lose all of the above listed benefits for years prior to 2014. You will be bound for the prior years to whatever fixed assets you have on the books as of January 1, 2014. Any remaining depreciation will be lost for those assets incorrectly capitalized in those prior years.**

### **The Unit of Property**

In general terms, a single UOP determination is based upon the functional interdependence standard. That is, the placing in service of one component by a taxpayer is dependent on the placing in service of another component by the taxpayer. Functionally interdependent property is considered a single unit of property. Additionally, if the taxpayer breaks down the UOP into smaller components, with different depreciation lives, then the smaller components are the units of property. There are also special rules for buildings and plant equipment.

Each building is a separate UOP and includes the building structure and eight building systems; HVAC, plumbing, electrical, escalators, elevators, fire-protection and alarm, security, and gas distribution. Also included within the building systems or structure, are items that perform a major and discrete function.

In general, single units of property other than buildings consist of all components that are functionally interdependent. Some examples of single units of property are a pick-up truck, tractor, combine, computer, and print-

er, which have a number of components or simpler items such as a chair or filing cabinet. Land improvements may be grouped together as a single UOP. Usually, the replacing of a component once during the ADR class life of a UOP will be a repair, replacing that same component after the UOP is fully depreciated would be a capital item.

**Plant Property** – Plant property is similar to property other than buildings, but is used to perform **an industrial process** such as manufacturing, generation, warehousing, distribution, or other similar activities. In addition, the plant UOP is further broken down into smaller units comprised of each component, or group of components, that perform a discrete and major function or operation within the functionally interdependent machinery or equipment.

### **Importance of Determining the UOP**

**An improvement is a betterment, restoration, or adaptation to a UOP** and is generally determined on a facts and circumstances basis. The UOP is the basis in determining whether amounts paid to purchase or produce tangible property are repairs or improvements. Taxpayers must compare the expenditure to the UOP to determine whether the expenditure is a repair or a capital item. This determination can be difficult especially with complicated buildings or leased property.

#### **Some examples:**

1. A grower has determined that his irrigation system is a separate UOP. He replaces a section of piping to his system. The expenditure would normally be a repair and currently expensed.
2. Using the same example, the grower replaces his well and adds a new pump and additional piping to connect the new well and pump to his system. As this is a replacement of a major component and extends the life of the irrigation system, it is an improvement and should be capitalized.
3. Intent is also a factor. If the farmer decides to replace his entire irrigation system but does it over a number of years, his yearly expenditures are capital in nature.

4. Other examples of expenditures that are repairs and are expensed in the current year: repair of a broken tail light, replacement of a power switch assembly, replacing 30% of the wiring in a building, and replacing 10% of the windows in a building.

Generally, expenditures that are 30% or less of the UOP or component that the expenditure is measured against will be considered a repair. Over 40% is usually a capitalized expenditure. Between 30% and 40% is a toss up.

### **Summary**

The article is designed to give the reader a general idea of the UOP concept and its importance in determining whether an expenditure is a repair or capital item and also **what may be lost if the appropriate Forms 3115 are not filed**. There are certain guidelines, but the determination of whether an expenditure is a repair (current expense) or a capital item is a facts and circumstances analysis. In determining your UOP, the larger the UOP, the larger your deductible expenditure may be.

The new regulations have many nuances and although there has been a lot written on interpretations, there is still much to be understood and interpreted. There is still confusion and misunderstandings regarding these new TPR's that will continue until tax professionals and the IRS have come to agreement on the application of these new regulations. Keep in mind, these new rules are the largest and most wide sweeping changes to the federal income tax laws in over 25 years.

This article is based on the most current information available to us at the time of submission to Citrus Notes.

This article is a discussion of the new Tangible Property Regulations and is not meant to be an opinion or interpretation of these new IRS regulations.

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

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

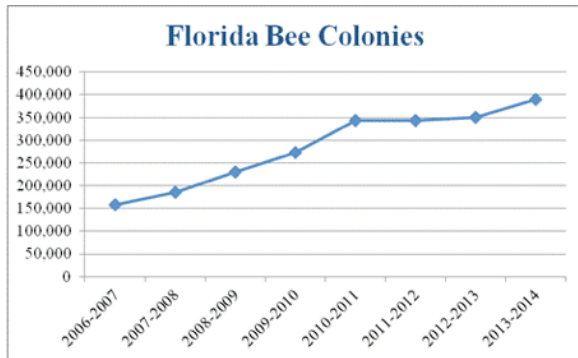
For information on other relevant topics visit our website at [www.beasleybryantcpa.com](http://www.beasleybryantcpa.com). We at Beasley, Bryant & Company, CPA's, P. A. are experienced in agricultural business problems, tax issues or concerns, and are here to help you.

### ***Pesticide News & Information***



#### **Don't Worry Bee Happy: Florida's Bee Colonies Increase**

Stinging a national trend, Florida's managed bee colonies have increased by more than 145 percent in the last eight years and continue to play a critical role in helping pollinate Florida's agricultural commodities and stabilizing our state and nation's food supply. Florida is a model for other states learning how to garner cooperation between beekeepers and agricultural producers for the benefit of both groups.



Two years after Florida's Commissioner of Agriculture, Adam H. Putnam, and others brought Florida's agriculture industry together in an innovative, voluntary partnership to help ensure the safety of bee hives near citrus groves, the program — and similar programs in other states — are now a part of the Honey Bee and Pollinator Strategy recently released by the White House. The National Strategy to Promote the Health of Honey Bees and Other Pollinators seeks to improve the health of bee colonies across the country.

“Beekeeping and crop production are both important parts of agriculture, and one industry can't survive

without the other,” said Commissioner of Agriculture Adam H. Putnam. “It is exciting to see the growth of bee colonies in Florida, with beekeepers and growers working together in Florida to solve common problems. We are proud that our state-based efforts have contributed to the national model to improve the health of our nation's bees.”

Citrus production, honey production and pollination services for many agricultural commodities are all important sectors of Florida's \$120 billion agriculture industry. In addition to surveying, monitoring and researching Florida's managed bee colonies, the Florida Department of Agriculture and Consumer Services provides Florida growers and beekeepers with information and best practices relating to agricultural pesticide usage that can help both industries to coexist and thrive. (FDACS 5-20-15 press release)





**Institute of Food and Agricultural Sciences  
UF-IFAS Polk County Extension Service**

**1702 US Highway 17 S  
Bartow, FL 33830**

Information for the next Certified Pile Burners 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 form on next page):

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 registration form on the next page and return as directed.

**Sincerely,**

**Chris Oswalt**

# 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**

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Name

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Mailing address

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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**

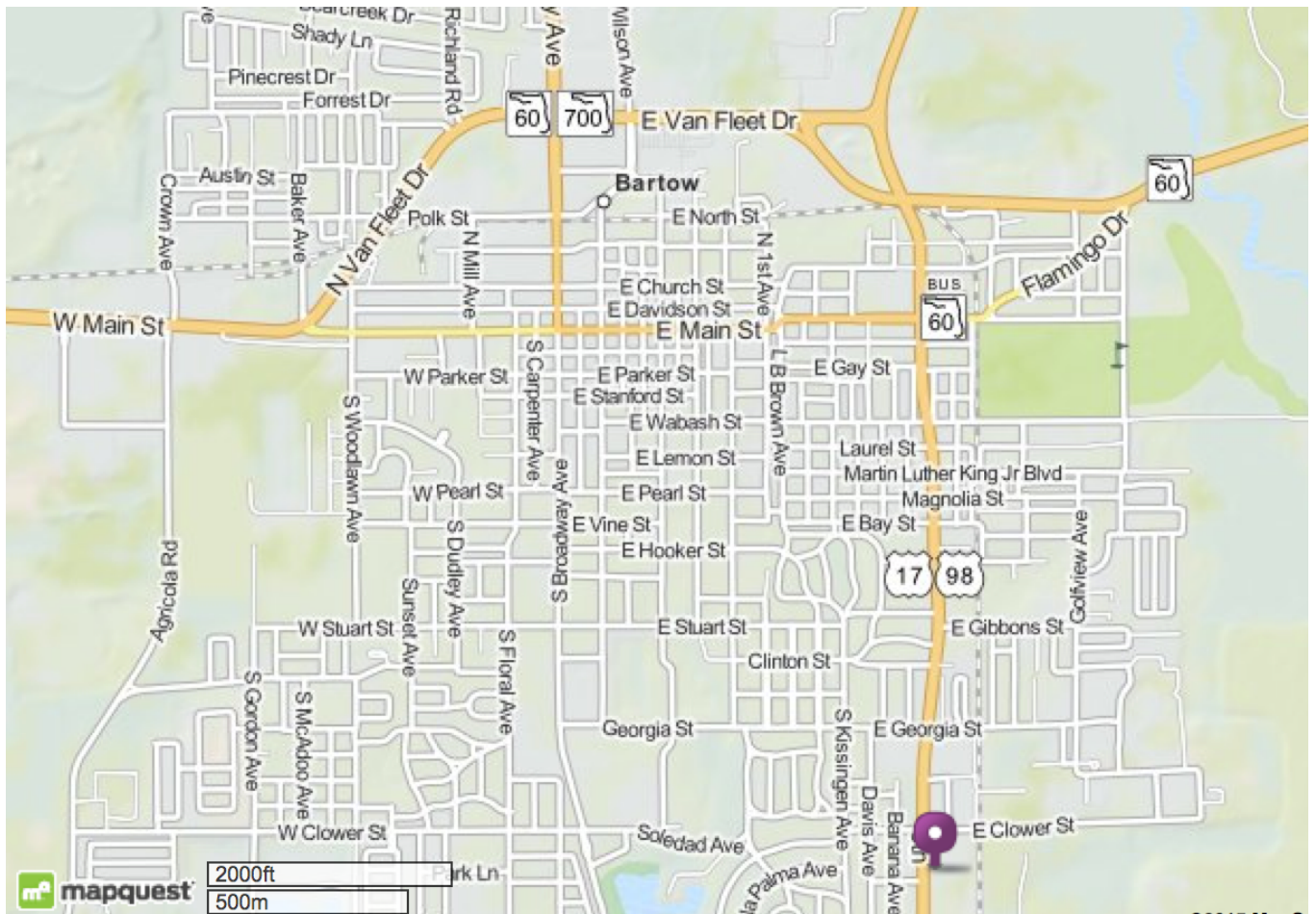
1. Opening Comments and Introduction	08:30 – 09:10
2. Fire Weather	09:10 – 09:50
3. BREAK	09:50 – 10:00
4. Smoke Management	10:00 – 11:20
5. Open Burning Regulations	11:20 – 12:15
6. LUNCH (provided)	12:15 – 01:15
7. Planning and Implementation	01:15 – 02:30
8. Safety	02:30 – 03:10
9. BREAK	03:10 – 03:20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