[8] I.R.C. § 168.

[9] See 4 Harl, *Agricultural Law* § 29.02[8][h] (2010); Harl, *Agricultural Law Manual* § 4.03[4][l] (2010); 1 Harl, *Farm Income Tax Manual* § 3.20[3] (2010 ed.).

[10] See I.R.C. § 195.

[11] See 4 Harl, *Agricultural Law* § 29.02[4][a][ii] (2010); Harl, *Agricultural Law Manual* § 4.03[4][a] (2010); 1 Harl, *Farm Income Tax Manual* § 3.01[3][c][ii] (2010 ed.).

[12] I.R.C. § 280F(d)(4).

[13] 4 Harl, *Agricultural Law* § 29.03[10][a] (2010); Harl, *Agricultural Law Manual* § 4.03[4][g][iii][A] (2010).

[14] See Joint Committee on Taxation, Technical Explanation of the Tax Provisions in Senate Amendment 4594 to H.R. 5297, the Small Business Jobs Act of 2010, JCX 47-10, September 16, 2010.

[15] I.R.C. § 162(l)(1). See 4 Harl, *Agricultural Law* § 28.02[6][d][i] (2010); Harl, *Agricultural Law Manual* § 4.03[11] (2010).

[16] I.R.C. § 162(l)(4).

[17] I.R.C. § 38(c).

[18] I.R.C. § 39. See 4 Harl, *Agricultural Law* § 32.02 (2010); Harl, *Agricultural Law Manual* § 4.04[1][d] (2010); 2 Harl, *Farm Income Tax Manual* § 4.01[1][b] (2010 ed.).

[19] I.R.C. § 448(c), with $50 million substituted for $5 million.

[20] I.R.C. § 448(c), substituting $50 million for $5 million.

[21] 7 Harl, *Agricultural Law* § 56.02[1][a] (2010); Harl, *Agricultural Law Manual* § 7.02[3][c][ii] (2010); 2 Harl, *Farm Income Tax Manual* § 7.04[1][a][ii] (2010 ed.).

[22] 7 Harl, *Agricultural Law* § 55.08[2] (2010).

CASES, REGULATIONS AND STATUTES

by Robert P. Achenbach, Jr

BANKRUPTCY

FEDERAL TAX

DISCHARGE. In a Chief Counsel Notice, the IRS discusses the dischargeability in bankruptcy of taxes for which a return was not filed until after an assessment was made. The IRS noted that returns filed after an assessment do not qualify as returns for bankruptcy purposes because the return serves no tax purpose. The IRS noted one contrary opinion, *In re Colsen , 446 F.3d 836 (8th Cir. 2006)*, holding that a document that on its face evinces an honest and reasonable attempt to satisfy the tax laws qualifies as a return, whether or not it was filed after assessment. The IRS further pointed to an unnumbered paragraph added to Section 523(a) by the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005: "For the purpose of this subsection, the term 'return' means a return that satisfies the requirements of applicable nonbankruptcy law (including applicable filing requirements). Such term includes a return prepared pursuant to section 6020(a) of the Internal Revenue Code of 1986, or similar State or local law, or a written stipulation to a judgment or a final order entered by a nonbankruptcy tribunal, but does not include a return made pursuant to section 6020(b) of the Internal Revenue Code of 1986, or a similar State or local law." Thus, a "section 6020(b)" (substitute return filed solely by IRS) produces nondischargeable taxes but a "section 6020(a)" (return filed by IRS with the assistance and signature of the taxpayer) can create dischargeable taxes. The IRS also ruled that a late filed return does not necessarily result in nondischargeable taxes, so long as the return is filed before assessment and otherwise qualifies for discharge. In addition, the IRS noted that some taxes may qualify for discharge and some may not, depending on the assessment date in relation to the return filing and the bankruptcy petition date. See also Harl, *Agricultural Law* § 120.06[4] (2010). **CC-2010-016, Sept. 8, 2010**.

The debtor owed taxes for 1998-2006 and filed for chapter 7 in 2009. The debtor had filed several serial bankruptcy cases beginning in 2005 and did not seek an automatic stay in several of the cases. The IRS sought to extend the three year assessment period for each of the bankruptcy cases so that the taxes for 2002 through 2006 were nondischargeable. The court held that the three year period would be extended for only the periods, plus 90 days, where the automatic stay was imposed. The IRS also sought summary judgment for nondischargeability of all the taxes for willful evasion of payment of the taxes. Although the court found that the taxpayer had a known duty to pay the taxes, the evidence was not sufficient for a summary judgment on the issue of whether the debtor's actions would be held to be willful. The court noted that the debtor had misvalued assets and filed returns late but had also cooperated with the IRS, made offers in compromise and had legitimate financial difficulties. ***In re* Acker, 2010-2 U.S. Tax Cas. (CCH) ¶ 50,611 (E.D. Tex. 2010)**.

The debtor filed the 2000 income tax return late in 2003 but did not pay any tax. The debtor filed a bankruptcy petition in 2005 and the IRS filed notice of federal tax lien in 2009 for the 2000 taxes, penalties and interest. The debtor responded that the tax principal had been paid and that the interest was discharged in bankruptcy because the interest functioned as a penalty and was dischargeable under Section 507(a). The court rejected the characterization of interest as a penalty because interest and penalties were each specifically treated under the bankruptcy laws. The debtor agreed that the taxes for 2000 were not discharged in the bankruptcy case; therefore, the court held that, because the underlying taxes were not discharged, the interest on the taxes was also not discharged. **Leathley v. Comm'r, T.C. Memo 2010-194**.

FEDERAL FARM PROGRAMS

CORN. The GIPSA has announced that it is reviewing the United States Standards and grading procedures for corn under the United States Grain Standards Act. GIPSA stated that, since the standards were last revised, the use of corn for ethanol and the number of different varieties of corn have increased tremendously. To ensure that standards and official grading practices remain relevant, GIPSA invites interested parties to comment on whether the current corn standards and grading procedures need to be changed. **75 Fed. Reg. 56911 (Sept. 17, 2010)**.

RICE. The GIPSA has announced that it is reviewing the United States Standards and grading procedures for Rough Rice, Brown Rice for Processing, and Milled Rice under the Agriculture Marketing Act of 1946. GIPSA stated that, since the standards were last revised, numerous changes have occurred in the breeding and production practices of rice; the technology used to harvest, process, and test rice; and also rice marketing. To ensure that standards and official grading practices remain relevant, GIPSA invites interested parties to comment on whether the current rice standards and grading procedures need to be changed. **75 Fed. Reg. 56911 (Sept. 17, 2010)**.

FEDERAL ESTATE AND GIFT TAXATION

DEDUCTION FOR STATE TAX. The decedent had funded a C corporation with notes convertible to stock. The notes were converted to stock, resulting in capital gains under state law. The decedent had tried to prevent the corporation from being treated as a California corporation subject to California income tax but the issue was not clear. The decedent's estate's income tax return claimed a deduction for its estimated California income tax of $62 million. However, several years later, the estate settled the issue with California for $26 million in income taxes. The IRS reduced the state income tax deduction to $26 million. The court held that the state income tax claim was not ascertainable with reasonable certainty at the time of the decedent's death; therefore, the post-death settlement for less tax was the relevant event to determine the value of the claim at the settlement amount. **Marshall Naify Revocable Trust v. United States, 2010-2 U.S. Tax Cas. (CCH) ¶ 60,603 (N.D. Calif. 2010)**.

GIFTS. The taxpayers, husband and wife, transferred partial interests in an LLC to their children. The LLC's principal asset was a parcel of partially developed land. The LLC operating agreement provided for distributions of capital but only under the authority and discretion of a manager. The LLC members had a right to transfer their interests but subject to a right of first refusal by the LLC and other restrictions. Under I.R.C. § 2703(a), the value of any transferred property shall be determined without regard to "any option, agreement, or other right to acquire or use the property at a price less than … fair market value …, or any restriction on the right to sell or use such property." However, under I.R.C. § 2703(b)(1-3), any option, agreement, right, or restriction that (1) is a "bona fide business arrangement"; (2) is not a device to transfer such property to members of the decedent's family for less than full and adequate consideration in money or money's worth; and (3) includes terms that are comparable to similar arrangements entered into by persons in an arms' length transaction shall be valued with regard to such option, agreement, right, or restriction. The court cited *Holman v. Comm'r, 601 F.3d 763 (8th Cir. 2010)*, that "maintenance of family ownership and control of a business may be a bona fide business purpose." However, the *Holman* court held that the restriction at issue must foster active involvement in the business. The court in this case, found that the children did not have an active involvement in the LLC property other than the ordinary involvement of real property owners; therefore, no bona fide business existed and the transfer of the LLC interests were subject to the special valuation rules of I.R.C. § 2703. **Fisher v. United States, 2010-2 U.S. Tax Cas. (CCH) ¶ 60,601 (S.D. Ind. 2010)**.

LATE-FILING PENALTY. The decedent's estate's representative filed for an extension of time to file the estate tax return, which was granted, and some of the estimate tax was paid. After the extension expired, the representative filed for another extension, which was denied, and made an additional tax payment. The estate tax return was filed almost one year after the extension expired and the IRS assessed late-filing penalties as well as interest on the unpaid tax. The representative had filed an explanation for the delay in filing, citing complexities in the legal issues of the decedent's estate and scattered assets. The court acknowledged that an exception to the late-filing penalty existed but cited the U.S. Supreme Court which explained, "the taxpayer bears the heavy burden of proving both (1) that the failure did not result from 'willful neglect,' and (2) that the failure was 'due to reasonable care.' *United States v. Boyle, 469 U.S. 241, 245 (1985)* (quoting 26 U.S.C. § 6651(a)(1)). The court held that the representative's excuse that the estate property was difficult to value was not sufficient because an estate tax return could contain estimates of value. The court noted that the representative had made estimated tax payments which were very close to the ultimate tax liability, except for the penalties and interest; thus, a return could have been filed based on the estimated tax payments and either amended or supplemented later when complete information was known. The court upheld the late-filing penalty. **Estate of Cederloff v. United States, 2010-2 U.S. Tax Cas. (CCH) ¶ 60,604 (D. Md. 2010)**.

MARITAL DEDUCTION. The decedent's will left the estate to the executrix of the estate and the estate tax return claimed a marital deduction for the amount passing to the executrix. The decedent and executrix had lived together for over 20 years but had never married. The IRS denied the marital deduction and assessed fraud and negligence penalties. The executrix claimed that she and the decedent had a common law marriage; however, the court found that the couple had not held themselves out as married. In addition, the executrix was estopped from claiming married status because the couple had filed income tax returns consistently using the single status. **Beat v. United States, 2010-2 U.S. Tax Cas. (CCH) ¶ 60,602 (D. Kan. 2010)**.

A portion of the decedent's estate passed to a trust for the surviving spouse which qualified for the QTIP election. Because the trust qualified as QTIP, the election was deemed to have been made for the trust property. However, the QTIP election was not needed in order to reduce the estate tax to zero. The surviving spouse later died and the surviving spouse's estate sought a ruling that the QTIP election by the decedent's estate be declared null and void, under *Rev. Proc. 2001-38, 2001-2 CB 124*, and not included in the surviving spouse's estate. The IRS ruled that the QTIP election was null and void. **Ltr. Rul. 201036013, June 2, 2010**.

FEDERAL INCOME TAXATION

AUTOMOBILE EXPENSES. The taxpayers were parents of children who were eligible for public transportation by a city education department. As a method of reducing costs, the department decided to change from providing transportation for these students to reimbursing the taxpayers for transporting their own children. The taxpayers were required to submit weekly statements of only actual transportation costs and to return payments received in excess of actual costs. The IRS ruled that the reimbursement payments were not taxable income to the taxpayers to the extent the payments do not exceed the taxpayers' actual transportation expenses. The IRS also ruled that the education department paying the reimbursement amounts did not need to issue information returns to the taxpayers unless the department knows that the payments exceed the actual transportation costs by more than $600. **Ltr. Rul. 201035004, May 26, 2010**.

CONSERVATION EASEMENTS. The taxpayers, husband and wife, granted a deed of conservation easement for real property to a charitable organization. The taxpayers hired an appraiser who provided an appraisal report. The taxpayers claimed a charitable deduction for the value of the easement. The IRS disallowed the deduction because the appraisal was not qualified. The court held that the appraisal was not qualified because it failed to identify the easement contribution date, the date the appraisal was performed, and the appraised fair market value of the easement contribution on the contribution date. The court rejected the taxpayers' argument that the appraisal was sufficient because it substantially complied with the requirements of a qualified appraisal. The court held that the doctrine of substantial compliance was not applicable because the appraisal omitted significant information. **Lord v. Comm'r, T.C. Memo. 2010-196**.

COOPERATIVES. The taxpayer was organized as a nonprofit cooperative and was wholly owned by a tax exempt rural electrical cooperative. The taxpayer was formed solely to own and operate an electricity-generating plant for sale of the electricity to the parent cooperative. The IRS ruled that the taxpayer would be taxed as a cooperative and that payments to the exempt cooperative were qualified patronage dividends excludible from income. **Ltr. Rul. 201036012, June 11, 2010**.

CORPORATIONS.

RETURNS. The IRS has issued proposed amendments to the regulations under I.R.C. § 6012 relating to the returns of income corporations are required to file. The proposed regulations require certain corporations to file a report of uncertain tax positions, Schedule UTP. In *Ann. 2010-9, 2010-1 C.B. 408*, and *Ann. 2010-17, 2010-2 C.B. 515*, the IRS announced it was developing a schedule requiring certain taxpayers to report uncertain tax positions on their tax returns. The IRS released the draft schedule, Schedule UTP, accompanied by draft instructions that provide a further explanation of the IRS's proposal in *Ann. 2010-30, 2010-2 C.B. 668*. The draft schedule and instructions provide that, beginning with the 2010 tax year, certain corporations with both uncertain tax positions and assets equal to or exceeding $10 million will be required to file Schedule UTP if they or a related party issued audited financial statements. The draft schedule and instructions stated that, for 2010 tax years, the IRS will require corporations filing the following returns to file Schedule UTP: Form 1120, U.S. Corporation Income Tax Return; Form 1120 L, U.S. Life Insurance Company Income Tax Return; Form 1120 PC, U.S. Property and Casualty Insurance Company Income Tax Return; and Form 1120 F, U.S. Income Tax Return of a Foreign Corporation. The draft schedule and instructions do not require a Schedule UTP from any other Form 1120 series filers, pass-through entities, or tax-exempt organizations in 2010 tax years. **75 Fed. Reg. 54802 (Sept. 9, 2010)**.

DEDUCTIONS. The taxpayer was a professor of mathematics who developed encryption algorithms for computer software and hardware. Although the taxpayer made the products known to software and hardware companies through presentations at conferences and seminars, the taxpayer had not sold anything. The taxpayer claimed business deductions on Schedule C for books, supplies, a computer and travel expenses. Although the taxpayer provided receipts and other records of the expenses, the taxpayer was unable to produce records which substantiated the business purpose of the expenses, as distinguished from the expenses incurred as part of the taxpayer's academic activities. Therefore, the court upheld the IRS disallowance of the deductions for lack of substantiation. **Shpilrain v. Comm'r, T.C. Summary Op. 2010-133**.

ELECTRICITY PRODUCTION CREDIT. The IRS has published a notice providing interim guidance pending the issuance of regulations relating to the tax credit under I.R.C. § 45 for refined coal. The Notice supersedes, restates and modifies the interim guidance in *Notice 2009-90, 2009-2 C.B. 859* regarding the tax credit under I.R.C. § 45 for refined coal with the following modifications: (1) the definition of refined coal is revised; (2) certain processing of utility grade coal is permitted to be taken into account in determining whether a qualified emission reduction has been achieved; and (3) the testing protocols for determining emissions reductions are revised. The IRS stated that it will continue its no rule policy concerning the placed in service date for a facility. **Notice 2010-54, I.R.B. 2010-40**.

EMPLOYEE EXPENSES. The taxpayer was employed as a heavy equipment operator at various jobs throughout the state. The taxpayer filed Form 2106, Employee Business Expenses, and claimed expenses for vehicle use, lodging and meals. The taxpayer provided no written substantiation records for the amount or purpose of the expenses and the court held that the deductions were properly disallowed by the IRS for lack of substantiation. The taxpayer also claimed deductions for the cost of work boots and gloves. The court acknowledged that such expenses did not have the strict substantiation requirements of travel and vehicle expenses and could be estimated if otherwise shown to exist. The court held that work boots and gloves were a reasonable expense for an equipment operator and allowed a deduction for an estimated reasonable amount of expenses. **Holland v. Comm'r, T.C. Summary Op. 2010-132**.

HEALTH CARE TAX CREDIT. The IRS has released a draft version of the form that small businesses and tax-exempt organizations will use to calculate the small business health care tax credit when they file income tax returns next year. The IRS also announced how eligible tax-exempt organizations — which do not generally file income tax returns — will claim the credit during the 2011 filing season. The IRS has posted a draft of Form 8941 on www.IRS.gov. Both small businesses and tax-exempt organizations will use the form to calculate the credit. A small business will then include the amount of the credit as part of the general business credit on its income tax return. Tax-exempt organizations will claim the small business health care tax credit on a revised Form 990-T. The Form 990-T is currently used by tax-exempt organizations to report and pay the tax on unrelated business income. Form 990-T will be revised for the 2011 filing season to enable eligible tax-exempt organizations — even those that owe no tax on unrelated business income — also to claim the small business health care tax credit. The final version of Form 8941 and its instructions will be available later in 2010. The small business health care tax credit was included in the Affordable Care Act signed by the President in March and is effective this year. In 2010, the credit is generally available to small employers that contribute an amount equivalent to at least half the cost of single coverage towards buying health insurance for their employees. The credit is specifically targeted to help small businesses and tax-exempt organizations that primarily employ moderate- and lower-income workers. For tax years 2010 to 2013, the maximum credit is 35 percent of premiums paid by eligible small business employers and 25 percent of premiums paid by eligible employers that are tax-exempt organizations. Beginning in 2014, the maximum tax credit will go up to 50 percent of premiums paid by eligible small business employers and 35 percent of premiums paid by eligible, tax-exempt organizations for two years. The maximum credit goes to smaller employers, those with 10 or fewer full-time equivalent (FTE) employees, paying annual average wages of $25,000 or less. The credit is completely phased out for employers that have 25 FTEs or more or that pay average wages of $50,000 per year or more. Because the eligibility rules are based in part on the number of FTEs, and not simply the number of employees, businesses that use part-time help may qualify even if they employ more than 25 individuals. More information about the credit, including a step-by-step guide and answers to frequently asked questions, is available on the Affordable Care Act page on the IRS website.

SAFE HARBOR INTEREST RATES

October 2010

	Annual	Semi-annual	Quarterly	Monthly
	Short-term			
AFR	0.41	0.41	0.41	0.41
110 percent AFR	0.45	0.45	0.45	0.45
120 percent AFR	0.49	0.49	0.49	0.49
	Mid-term			
AFR	1.73	1.72	1.72	1.71
110 percent AFR	1.90	1.89	1.89	1.88
120 percent AFR	2.07	2.06	2.05	2.05
	Long-term			
AFR	3.32	3.29	3.28	3.27
110 percent AFR	3.65	3.62	3.60	3.59
120 percent AFR	3.99	3.95	3.93	3.92

Rev. Rul. 2010-24, I.R.B. 2010-40.

LETTER RULINGS. The taxpayer purchased three nuclear power plants and the sellers and other unrelated taxpayers had received IRS private letter rulings on the issue of tax treatment of "assumed decommissioning liabilities." The taxpayer submitted a request for admissions regarding the IRS letter rulings to show that the decommissioning liabilities were fixed and reasonably determinable at the time of the purchases of the plants. The court held that the letter rulings could not be used as precedent in this case because the rulings were not issued to the taxpayer and were not to be used to establish IRS administrative practices or as evidence of an abuse of discretion. **AmerGen Energy Co., LLC v. United States, 2010-2 U.S. Tax Cas. ¶ 50,600 (Fed. Cls. 2010)**.

LOSSES. Section 1409 of the Health Care and Education Reconciliation Act of 2010 (Act), Pub. L. No. 111-152, added I.R.C. § 7701(o) which provides that, in the case of any transaction to which the economic substance doctrine is relevant, the transaction shall be treated as having economic substance only if (1) the transaction changes in a meaningful way (apart from federal income tax effects) the taxpayer's economic position, and (2) the taxpayer has a substantial purpose (apart from federal income tax effects) for entering into the transaction. I.R.C. § 7701(o)(5)(A) states that the term "economic substance doctrine" means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose. I.R.C. § 7701(o)(5)(C) states that the determination of whether the economic substance doctrine is relevant to a transaction shall be made in the same manner as if I.R.C. § 7701(o) had never been enacted. With respect to individuals, however, I.R.C. § 7701(o)(5)(B) states that the two-prong analysis in I.R.C. § 7701(o)(1) shall apply only to a transaction entered into in connection with a trade or business or an activity engaged in for the production of income. In addition, I.R.C. § 7701(o)(5)(D) states that the term "transaction" as used in I.R.C.

§ 7701(o) includes a series of transactions. I.R.C. § 7701(o)(2)(A) provides that a transaction's potential for profit shall be taken into account in determining whether the requirements of I.R.C. § 7701(o)(1) are met only if the present value of the reasonably expected pre-tax profit is substantial in relation to the present value of the claimed net tax benefits. The Act also added I.R.C. § 6662(b)(6), which provides that the accuracy-related penalty imposed under I.R.C. § 6662(a) applies to any underpayment attributable to any disallowance of a claimed tax benefit because of a transaction lacking economic substance (within the meaning of I.R.C. § 7701(o)) or failing to meet any similar rule of law (collectively a I.R.C. § 6662(b)(6) transaction). The Act also added I.R.C. § 6662(i), which increases the accuracy-related penalty from 20 to 40 percent for any portion of an underpayment attributable to one or more I.R.C. § 6662(b)(6) transactions with respect to which the relevant facts affecting the tax treatment are not adequately disclosed in the return or in a statement attached to the return. Furthermore, new I.R.C. § 6662(i)(3) provides that certain amended returns or any supplement to a return shall not be taken into consideration for purposes of I.R.C. § 6662(i). **Notice 2010-62, I.R.B. 2010-40**.

PASSIVE ACTIVITY LOSSES. The taxpayer was employed part-time as a librarian in the tax year when the taxpayer purchased two homes, initially for personal use but later for renting. The second home was a manufactured home and had to be moved several times to find a suitable location. Neither home was rented during the tax year. The taxpayer failed to provide documentation of the amount of time spent on purchasing, locating and renting the homes. The court held that the taxpayer was not eligible for deducting the loss on the activity because the taxpayer was not actively involved in a real estate business, the taxpayer was not a real estate professional, and the taxpayer's gross income exceeded the limit for the $25,000 exception of I.R.C. § 469(i). **Hill v. Comm'r, T.C. Memo. 2010-200**.

PENALTIES. The taxpayer worked as contract employee for a medical clinic. The taxpayer received money for services performed at the clinic and the clinic issued a Form 1099-MISC to the taxpayer listing the compensation. The taxpayer did not file a tax return for the year and argued that the compensation was not taxable because the taxpayer was not a citizen of the state or United States and the compensation was received only as an exchange for the services performed. The court rejected the arguments and upheld the IRS assessment of tax and penalties for failure to file, failure to pay estimated and final taxes and for filing a frivolous appeal. **Callahan v. Comm'r, T.C. Memo. 2010-201**.

PENSION PLANS. For plans beginning in September 2010 for purposes of determining the full funding limitation under I.R.C. § 412(c)(7), the 30-year Treasury securities annual interest rate for this period is 4.30 percent, the corporate bond weighted average is 6.24 percent, and the 90 percent to 100 percent permissible range is 5.62 percent to 6.24 percent. **Notice 2010-61, I.R.B. 2010-40**.

The taxpayer was married while employed with a California county agency. The taxpayer participated in the employee pension plan during the marriage. The taxpayer retired before obtaining a divorce and began receiving distributions from the plan. Under an addendum to the divorce judgment, the taxpayer paid all of the monthly distributions to the former spouse during the tax year involved here. The court held that the distributions were not excluded from the taxpayer's income because the addendum did not expressly declare the taxpayer's intent to transmute the interest in the pension plan to the former spouse. In addition, the addendum was not a qualified domestic relations order (QDRO) because the addendum was not presented to the retirement plan administrator for a QDRO determination and the distributions were not made directly to the former spouse as an alternate payee. **Hackenberg v. Comm'r, T.C. Summary Op. 2010-135**.

IN THE NEWS

LIVESTOCK PRICE REPORTING. Brownfield Ag News Online has reported that the U.S. House of Representatives has approved The Mandatory Price Reporting Act of 2010 (S 3656) and The Veterinary Services Investment Act (H.R. 3519). The Mandatory Price Reporting Act will reauthorize mandatory price reporting programs run by USDA for five years. It requires livestock sales information to be reported and published in a timely fashion in an effort to help buyers and sellers make more informed decisions. It also instructs the Secretary of Agriculture to establish an electronic price reporting system for dairy within one year of enactment. The Act is identical to the one passed by the Senate and now goes to the President for his signature. The Veterinary Services Investment Act would establish a competitive grant program at USDA to support efforts to increase access to veterinary care in underserved areas. House Ag Committee Chair, Collin Peterson says, "Rural areas are facing a critical and growing shortage of large animal veterinarians. These veterinarians are the first lines of defense against animal disease and a crucial player in ensuring the safety of our food. This bill will encourage veterinarians to serve these areas where their skills are needed." **http://brownfieldagnews.com/2010/09/15/house-passes-mandatory-price-reporting/**

NATIONAL ORGANIC PROGRAM. The AMS has published the "Program Handbook: Guidance And Instruction For Accredited Certifying Agents & Certified Operators," Sept. 1, 2010. The goal of the Program Handbook is "to provide those who own, manage, or certify organic operations with guidance and instructions that can assist them in complying with the National Organic Program (NOP) regulations." **http://www.ams.usda.gov/AMSv1.0/NOPProgramHandbook**

Agricultural Law Press
127 Young Rd., Kelso, WA 98626