[21] 379 B.R. 899 (Bankr. D. Neb. 2007).

[22] 382 B.R. 509 (Bankr. D. Kan. 2008).

[23] See S. Rep. No. 95-1106, 95th Cong., 2d Sess. 13 (1978).

[24] 2008 U.S. Dist. LEXIS 46275 (N.D. Iowa 2008).

[25] *Id.*

[26] 11 U.S.C. § 1222(a)(2)(A).

[27] 382 B.R. 509 (Bankr. D. Kan. 2008).

[28] See 11 U.S.C. § 501(b)(1)(B).

[29] *Id.*

CASES, REGULATIONS AND STATUTES

by Robert P. Achenbach, Jr

BANKRUPTCY

CHAPTER 12

AUTOMATIC STAY. The Chapter 12 debtors had defaulted on promissory notes given to a creditor cooperative for agricultural inputs. The creditor had filed suit in state court to collect on the unpaid notes and the debtors had filed a counter-claim that the cooperative had improperly provided the inputs and failed to properly market the debtor's crops. The debtors then filed for Chapter 12, staying the state court action. The cooperative filed a motion in the bankruptcy case for declaration that the debt was nondischargeable under Section 523(a)(2)(A) because the debtors had provided false financial information in applying for the promissory notes. The debtors again raised their counter-claim against the cooperative. The court held that the issue of dischargeability depended on the extent the debtors were liable on the promissory notes; therefore, the court granted the creditor relief from the automatic stay to complete the state court action and reserved the issue of dischargeability for after that trial. ***In re* Schnuelle, 2008 Bankr. LEXIS 1705 (Bankr. D. Neb. 2008)**.

DISMISSAL. The debtors filed for Chapter 12 and their primary debts were to the IRS for over 20 years of unpaid taxes. The IRS sought dismissal of the case for bad faith filing, noting that (1) the tax claims were nondischargeable; (2) the bankruptcy filing was made only to prevent foreclosure and not for reorganization; (3) the IRS has been prejudiced by the delay in enforcing its rights; (4) the debtors had made no attempt to pay the taxes for over 20 years; and (5) the debtors had not been timely and truthful in filing bankruptcy schedules. The court denied the motion to dismiss, holding that the IRS failed to prove that the primary purpose of the Chapter 12 filing has been other than for reorganization. ***In re* Dawes, 2008 Bankr. LEXIS 1564 (Bankr. D. Kan. 2008)**.

FEDERAL AGRICULTURAL PROGRAMS

2008 FARM BILL. After a second round of passage, presidential veto and legislative override, the final version of the 2008 Farm Bill has been enacted as Pub. L. No. 110-246, with Pub. L. No 110-234 repealed in the process.

COMMODITY LOANS. The CCC has announced that it will extend Marketing Assistance Loans and Loan Deficiency Payments for the 2008 crops of wheat, corn, grain sorghum, barley, oats, soybeans, rice, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe, sesame seed, graded and non-graded wool, mohair, honey, dry peas, lentils, and small chickpeas. **73 Fed. Reg. 32675 (June 10, 2008)**.

DAIRY PRODUCT REPORTING PROGRAM. The AMS has adopted as final regulations amending the regulations governing the Dairy Product Mandatory Reporting Program authorized by the Farm Security and Rural Investment Act of 2002 to provide for timely, accurate, and reliable market information to facilitate more informed marketing decisions and promote competition in the dairy product manufacturing industry. **73 Fed. Reg. 34175 (June 17, 2008)**.

FEDERAL ESTATE AND GIFT TAXATION

GENERATION-SKIPPING TRANSFERS. The decedent's pre-1985 will established a residuary estate trust for the benefit of two children and two grandchildren and several remainder holders. The trustee filed a suit in state court to resolve a dispute among the beneficiaries as to the proper distribution of trust corpus at the termination of the trust. The parties reached a settlement agreement which was approved by the court. The IRS ruled that the changes in allocation and distribution of trust assets on termination did not subject the trust to GSTT because the changes occurred as a resolution of bona fide disputes. **Ltr. Rul. 200823003, Feb. 22, 2008**.

The U.S. Supreme Court has denied certiorari in the following case. The decedent's predeceased spouse had created a trust for the decedent which became irrevocable upon the death of the decedent's spouse in 1973. The trust provided the decedent with a testamentary power of appointment over the trust property and the decedent exercised the power in favor of the decedent's grandchildren. The estate filed a Form 706 which did not include any GSTT for the property transferred under the power of appointment but the estate included Form 8275-R, Regulation

Disclosure Statement, which indicated that the failure to include GSTT was contrary to Treas. Reg. § 26.2602-1(b)(1)(i). Treas. Reg. § 26.2601-1(b)(1)(i) provides that a transfer of property pursuant to the exercise, release, or lapse of a general power of appointment that is treated as a taxable transfer under federal estate and/or gift tax provisions, is not a "transfer under a trust" that is eligible for transitional relief (for pre-September 1985 trusts) from GST tax under TRA 1986 Sec. 1433(b)(2)(A). The estate argued that the regulation was invalid because it was contrary to the intent of the TRA 1986 provision. The court held that the regulation was a valid interpretation of the TRA 1986 provision and was consistent with the statute's treatment of powers of appointment as the equivalent of full ownership of the power holder. **Estate of Gerson v. Comm'r, 507 F.3d 435 (6th Cir. 2007), *aff'g*, 127 T.C. 139 (2006)**.

VALUATION. The U.S. Supreme Court has denied certiorari in the following case. The decedent's estate included 20 percent of the common stock of a closely-held corporation. The stock had never been publicly traded and no sales of the stock had occurred in the 10 years prior to the decedent's death. In the six years preceding the decedent's death, the corporation profit dropped to almost zero. For estate tax purposes, the estate calculated the value of the decedent's share of the corporation at $1.75 million using the capitalization of income method, under which a company's value is calculated by (1) projecting the company's annual income, (2) determining a company-specific capitalization rate, (3) dividing the projected income by the capitalization rate, and (4) adding the value of non-operating assets. This yielded a valuation of $25.8 million for the company, of which the estate's share was $5.3 million, which was then further reduced by 40 percent to account for the decedent's minority ownership interest and by a further 45 percent to account for lack of marketability, to arrive at the final valuation of $1.75 million. The estate argues that this valuation reflects the company's grim profit prospects. The IRS valued the decedent's interest at $32 million, using two independent methods: the comparable public company method, which yielded a company value of $260 million, and the discounted cashflow method, which was performed twice (using different estimated future values) and which yielded company values of $212.6 million and $158.8 million. The IRS settled on $225 million, of which the estate's share was $46.3 million. That value was then discounted by 30 percent to account for lack of marketability, thus arriving at the final value of $32 million. The IRS valuation did not account for any lessening of profits from competition. The Tax Court disagreed with both valuations and used the capitalization of income method and added the value of non-operating assets. The decedent's share of the value of the company was reduced by a 15 percent minority interest discount and 30 percent for lack of marketability for a final value of $13.5 million. The appellate court held that the Tax Court properly ignored both the estate and IRS valuations as flawed and substituted its own valuation method. **Thompson v. Comm'r, 499 F.3d (2d Cir. 2007), *aff'g*, T.C. Memo. 2004-174**.

FEDERAL INCOME TAXATION

ACCOUNTING METHOD. The IRS has issued a revenue procedure which provides two safe harbors which allow use of the rolling-average method of valuing inventories for financial accounting purposes. The procedure also provides a procedure for obtaining automatic consent to change to the rolling-average method. **Rev. Proc. 2008-43, I.R.B. 2008-30**.

COMMUNITY PROPERTY. In 2000, the taxpayer was married but legally separated and lived in a community property state. The taxpayer filed a 2000 tax return using the single status and including all of the taxpayer's wages in income. In 2004, the taxpayer filed an amended 2000 return claiming a refund under the argument that one half of the wages were taxable income to the spouse under community property law. The court held that I.R.C. § 66(b) did not apply to attribute one-half of the wages to the spouse because the taxpayer failed to notify the spouse that there was taxable community income. In addition, the court held that the income tax liability was a community debt; therefore, the IRS properly applied the taxpayer's tax payments to the entire liability. **Cooper v. Comm'r, 2007-2 U.S. Tax Cas. (CCH) ¶ 50,576 (N.D. Tex. 2007)**.

CORPORATIONS

EMPLOYEE STOCK OWNERSHIP PLANS. The IRS has announced that, beginning in 2009, dividends on employer securities distributed from an ESOP must be reported on From 1099-R that does not report any other distributions as provided in the form's instructions. Prior to 2009, such dividends were reported on Form 1099-DIV, **Ann. 2008-56, I.R.B. 2008-26**.

OFFICER COMPENSATION. The IRS has ruled that a member of a board of directors of a publicly traded company who had served as interim chief executive officer prior to joining the compensation committee of the board was not an "outside director" for purposes of determining performance goals for a covered employee under I.R.C. § 162(m) where the individual was not employed as the interim CEO for a special or single transaction and was employed for an indefinite period to serve with full authority as an interim CEO. **Rev. Rul. 2008-32, I.R.B. 2008-27**.

COURT AWARDS AND SETTLEMENTS. The taxpayer filed employment discrimination complaints against an employer with the U.S. Equal Employment Opportunity Commission. The taxpayer received an award of compensation for nonpecuniary damages, future pecuniary damages, past medical and transportation losses and attorneys' fees. The EEOC found that the taxpayer had suffered various physical problems resulting from the emotional stress of the discrimination and filing the action but none of the award was allocated to compensation for physical injury. The court held

that the award proceeds received for emotional stress were not excludible from taxable income. **Sanford v. Comm'r, T.C. Memo. 2008-158**.

DEPENDENTS. The taxpayer was the biological parent of three children who did not live with the taxpayer during 2005. The taxpayer made child support payments to the custodian parent during 2005. The taxpayer did not have to make the payments when the children were removed to foster parents. The court held that the taxpayer could not claim any of the children as dependents on the 2005 return, claim head of household status or claim child tax credit based on the children. **Daniels v. Comm'r, T.C. Memo. 2008-160**.

The taxpayer was the biological parent of two children. Under a 2002 divorce decree the taxpayer was entitled to claim both children as dependents on the 2003 tax return. The divorce decree also provided that the former spouse was the primary custodian and that the children were to live with the custodial parent 64.66 percent of the time. The decree was amended in 2003 to have the children visit the taxpayer every other weekend and from December 26 through December 31 of each year. The court held that the taxpayer could not use the head of household filing status or claim earned income credit based on the children because the taxpayer failed to prove that the children lived with the taxpayer more than one-half of the year. **Godby v. Comm'r, T.C. Memo. 2008-154**.

The taxpayer made child support payments to the custodian parent during 2005. The taxpayer did not have to make the payments when the children were removed to foster parents. The court held that the taxpayer could not claim any of the children as dependents on the 2005 return, claim head of household status or claim child tax credit based on the children. **Daniels v. Comm'r, T.C. Memo. 2008-160**.

The taxpayer and former spouse were the parents of one child. The divorce decree awarded custody to the spouse and required the spouse to execute and deliver to the taxpayer a signed Form 8332, Release of Claim of Exemption for Child of Divorced or Separated Parents, for every other tax year if the taxpayer was current on child support payments for that year. The spouse never executed and delivered a signed Form 8332 for 1995, 1997 and 1999. The taxpayer attached only a copy of the divorce decree and claimed the dependency exemptions for 1995, 1997 and 1999 which were denied by the IRS. The court held that the divorce decree was insufficient to entitle the taxpayer to the dependency exemption for 1995, 1997 and 1999. **Lease v. Comm'r, T.C. Summary Op. 2008-73**.

The taxpayer and former spouse were the parents of three children. The divorce decree awarded custody to the spouse, although the taxpayer had cusdodial rights on some weekends and holidays. The spouse did not execute and deliver to the taxpayer a signed Form 8332, Release of Claim of Exemption for Child of Divorced or Separated Parents. The court held that the taxpayer could not claim any of the children as dependents or claim child tax credit based on the children. **Campos v. Comm'r, T.C. Memo. 2008-159**.

DIESEL FUEL PRODUCTION DEDUCTION. The IRS has issued temporary and proposed regulations governing how a "small business refiner" elects to take, and determines the amount of, an I.R.C. § 179B deduction for costs of producing diesel fuel. The deduction, 75 percent of certain qualifying costs, is allowable for a tax year even if the relevant property is not placed in service until a later year. The temporary regulations also state which environmental protection agency rules are used when determining the deduction and provide a reduction in the allowable deduction if certain production thresholds are exceeded. **73 Fed. Reg. 36420 (June 27, 2008)**.

DISASTER LOSSES. On May 30, 2008, the president determined that certain areas in Nebraska are eligible for assistance from the government under the Disaster Relief and Emergency Assistance Act (42 U.S.C. § 5121) as a result of severe storms, tornadoes and flooding, which began on April 23, 2008. **FEMA-1765-DR**. On June 8, 2008, the president determined that certain areas in Indiana are eligible for assistance from the government under the Act as a result of severe storms, tornadoes and flooding, which began on May 30, 2008. **FEMA-1766-DR**. On June 13, 2008, the president determined that certain areas in Montana are eligible for assistance from the government under the Act as a result of a severe winter storm which began on May 1, 2008. **FEMA-1767-DR**. On June 14, 2008, the president determined that certain areas in Wisconsin are eligible for assistance from the government under the Act as a result of severe storms, tornadoes and flooding, which began on June 5, 2008. **FEMA-1768-DR**. Taxpayers who sustained losses attributable to these disasters may deduct the losses on their 2007 returns.

ELECTRICITY PRODUCTION CREDIT. The IRS has issued revised interim guidance on the credit for electricity produced from open-loop biomass. The IRS will not issue private letter rulings regarding I.R.C. § 45 as it relates to open-loop biomass or on any issues for partnerships claiming the credit. A renewable electricity production credit is allowed, under I.R.C. § 45, for electricity produced by a taxpayer from qualified energy resources at a qualified facility. **Notice 2008-60, I.R.B. 2008-30, *revising and superseding*, Notice 2006-88, 2006-2 C.B. 686**.

HEALTH SAVINGS ACCOUNTS. The IRS has issued additional guidance for employers concerning health savings accounts, in 40 questions and answers. **Notice 2008-59, I.R.B. 2008-30**.

INNOCENT SPOUSE. In November, 2000, the taxpayer filed a request, using Form 8857, for innocent spouse tax relief from joint and several tax liability for 1997 taxes owed from a joint tax return. The taxpayer had divorced in 1998. The IRS timely denied the 2000 request. The taxpayer filed a second request in 2007, claiming additional information. The IRS also refused to

change the original decision. The taxpayer filed an appeal in the Tax Court within 90 days after the second IRS decision. The Tax Court held that it lacked jurisdiction to review the IRS decision because no appeal was filed after the first decision and the second decision was not a new decision by the IRS but merely a refusal to change an original decision. **Barnes v. Comm'r, 130 T.C. No. 14 (2008)**.

The taxpayer sought innocent spouse tax relief from liability for joint income taxes owed by the taxpayer and former spouse. The evidence demonstrated that the taxpayer was aware that the former spouse was not making tax payments, the spouse was in general business and household financial trouble, and the taxpayer signed all the income tax returns. The court denied the taxpayer innocent spouse tax relief because the evidence demonstrated that the taxpayer knew or should have known that the spouse was not paying their joint tax liabilities since the taxpayer signed returns showing that taxes were due; the spouse told the taxpayer that the business was failing; the spouse told the taxpayer that they did not have enough money to pay their income tax liabilities; and, the taxpayer knew that the spouse had let numerous household bills go unpaid. In addition, the court held that equitable relief was unavailable because the taxpayer failed to present any evidence that the taxpayer would suffer economic hardship if relief was not granted despite being given ample opportunity to do so by the IRS. **Toppi v. Comm'r, T.C. Memo. 2008-156**.

LOW INCOME HOUSING CREDITS. The IRS has announced that it will waive certain limits for the low-income housing tax credit in Indiana and Iowa in order to allow qualified low-income housing projects located anywhere in those states to provide housing to victims of the recent storms and flooding. **Notice 2008-56, I.R.B. 2008-28; Notice 2008-58, I.R.B. 2008-28.**

MILEAGE DEDUCTION. The IRS has issued a revenue procedure which provides that the standard mileage rate for July 1, 2008 through December 31, 2008 is increased to 58.5 cents per mile for business use and 27 cents per mile for medical and moving expense purposes. The rate for charitable driving for the second half of 2008 remains at 14 cents per mile. For January 1, 2008 to June 30, 2008 the standard mileage rate is at 50.5 cents per mile, 14 cents for charitable purposes and 19 cents for medical and moving expense purposes **Ann. 2008-63, I.R.B. 2008-28, *modifying*, Rev. Proc. 2007-70, 2007-2 C.B. 1158**.

NET OPERATING LOSSES. The taxpayer corporation incurred net operating losses in 1997 and 1998 from reclamation costs. The taxpayer filed amended returns for 1991 and 1992 in 2002 attempting to carry back the NOLs under special provisions of I.R.C. § 172(f)(1) which allow a longer carryback period for reclamation losses. The taxpayer filed a second amended return for 1991 in 2003. The amended returns for 1991 and 1992 were filed more than three years after the due date for the original return establishing the NOLs. The court held that the amended returns were barred by the three year period because the second amended returns did not amend NOL carryback claims contained in the first amended returns, but raised entirely new claims and the corporation did not file its second amended returns claiming refunds while its first amended returns were pending; rather, they were filed after the IRS had already taken final action on the refund claims in the first amended returns. **Barrick Resources (USA) Inc. v. United States, 2008-1 U.S. Tax Cas. (CCH) ¶ 50,400 (10th Cir. 2008), *aff'g*, 464 F. Supp. 2d 1443 (D. Utah 2006)**.

PARTNERSHIPS

LOSSES. The taxpayer was denied loss deductions resulting from a partnership where the taxpayer failed to provide any written or other substantiation of the partnership income or expenses. **Bates v. Comm'r, T.C. Memo. 2008-152**.

PENSION PLANS. For plans beginning in June 2008 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 4.60 percent, the corporate bond weighted average is 5.42 percent, and the 90 percent to 100 percent permissible range is 5.42 percent to 6.02 percent. **Notice 2008-53, I.R.B. 2008-26**.

The taxpayer was divorced and part of the divorce decree was an order for the taxpayer to pay child support and alimony. When the taxpayer failed to make payments, the former spouse obtained a court order requiring the taxpayer to withdraw funds from a pension plan and make the payments. The taxpayer excluded the payments from income, arguing that the payments were made pursuant to a qualified domestic relations order, making the funds taxable to the former spouse. The court held that the withdrawal of the pension funds was not made pursuant to the divorce decree which made no mention of the taxpayer's pension funds; therefore, the funds withdrawn were taxable to the taxpayer, and were not paid pursuant to a QDRO. The taxpayer was allowed to claim a deduction for alimony for the portion of the funds used to satisfy the alimony requirement in the divorce decree and the same amount was taxable income to the former spouse. The appellate court affirmed in a decision designated as not for publication. **Amarasinghe v. Comm'r, 2008-1 U.S. Tax Cas. (CCH) ¶ 50,399 (4th Cir. 2008), *aff'g*, T.C. Memo. 2007-333**.

The IRS has issued proposed regulations providing guidance on the application of the accrual rule for defined benefit plans under I.R.C. § 411(b)(1)(B) in cases where plan benefits are determined on the basis of the greatest of two or more separate formulas. **73 Fed. Reg. 34665 (June 18, 2008)**.

RETURNS. The IRS has announced that storm and flood victims in several states have been granted more time to make quarterly estimated tax payments and other tax payments, deposits and returns. These states include Iowa, Indiana and Wisconsin, West Virginia, Arkansas, Colorado, Georgia, Maine, Mississippi, Missouri, Ohio and Oklahoma. Businesses will also have extra time to file various returns and pay any taxes due. Specific due dates vary by location. Details are available on the IRS's webpage at irs.gov. Also, affected taxpayers in these areas

who suffered uninsured or unreimbursed property damage can choose to claim these losses on their 2007 tax returns.

The IRS has issued procedures for filing 2008 Forms 1098, 1099, 5498 and W-2G electronically through the IRS FIRE System. The IRS Enterprise Computing Center --Martinsburg (IRS/ECC-MTB) no longer accepts any form of magnetic media. These specifications, which will be reprinted as the next revision of IRS Publication 1220, must be used for the preparation of 2008 tax year information returns and information returns for tax years prior to 2008 that will be filed beginning January 1, 2009. **Rev. Proc. 2008-30, I.R.B. 2008-23**.

SAFE HARBOR INTEREST RATES
July 2008

	Annual	Semi-annual	Quarterly	Monthly
		Short-term		
AFR	2.42	2.41	2.40	2.40
110 percent AFR	2.67	2.65	2.64	2.64
120 percent AFR	2.91	2.89	2.88	2.87
		Mid-term		
AFR	3.45	3.42	3.41	3.40
110 percent AFR	3.80	3.76	3.74	3.73
120 percent AFR	4.14	4.10	4.08	4.07
		Long-term		
AFR	4.60	4.55	4.52	4.51
110 percent AFR	5.07	5.01	4.98	4.96
120 percent AFR	5.53	5.46	5.42	5.85

Rev. Rul. 2008-33, I.R.B. 2008-27.

TAX COURT. The decedent's estate hired an attorney as personal representative for the estate. The attorney filed a probate action in state court and filed an action in the Tax Court. The attorney caused substantial delays in both cases for eight years by telling each court that resolution of each case depended first on the resolution of the other case. The Tax Court held that the attorney warranted sanctions under I.R.C. § 6673(a)(2) which included payment of costs incurred by the IRS resulting from the delays. **Estate of Allison v. Comm'r, T.C. Memo. 2008-149**.

TAX RETURN PREPARERS. The IRS has issued proposed regulations implementing amendments to the tax return preparer penalties under I.R.C. §§ 6694, 6695, 6060, 6107, 6109, 6696, and 7701(a)(36) reflecting amendments made by Section 8246 of the Small Business and Work Opportunity Tax Act of 2007, Pub. L. No. 110-28, 121 Stat. 190 (2007). **73 Fed. Reg. 34559 (June 17, 2008)**.

TAX SCAMS. The defendant operated a business under which the defendant claimed to provide decoding services to taxpayers to remove the taxpayers from IRS records so that the taxpayers would not have to file returns or pay taxes. The court enjoined the defendant from operating the business which was found to be a fraudulent tax scam. **United States v. Kukhahn, 2008-1 U.S. Tax Cas. (CCH) ¶ 50,375 (W.D. Wash. 2008)**.

THEFT LOSS. The taxpayers were originally citizens of Afghanistan and, in preparation for moving to Pakistan in 1980, the taxpayers had some jewelry appraised. The taxpayers eventually immigrated to the United States and claimed a theft loss for the jewelry when it was stolen in a house burglary. The taxpayers' theft loss claim was based on the 1980 appraisal, increased by estimated inflation and appreciation but did not include any substantiation of the current fair market value or the taxpayers' basis in the jewelry. The court held that the IRS allowance of only a portion of the theft loss claim was proper because the taxpayers failed to substantiate the fair market value or tax basis in the jewelry. **Adel v. Comm'r, T.C. Summary Op. 2008-65**.

TRUSTS. The taxpayers were originally husband and wife and established a charitable remainder unitrust with the taxpayers as current beneficiaries. When the taxpayers divorced, the trust was split into two equal trusts with each taxpayer as a single beneficiary. Each trust received 50 percent of all trust assets and had the same terms as the original trust, except for removal of the other beneficiary. The IRS ruled that the resulting trusts were qualified charitable remainder trusts, the split did not cause a recognition of gain or loss, and the split did not change the basis or holding periods of the assets in the trusts. **Ltr. Rul. 200823015, Feb. 21, 2008**.

The IRS has issued proposed amendments providing guidance under I.R.C. § 642(c) with regard to the federal tax consequences of an ordering provision in a trust, a will, or a provision of local law that attempts to determine the tax character of the amounts paid to a charitable beneficiary of the trust or estate. The proposed regulations also make conforming amendments to the regulations under I.R.C. § 643(a)(5). The proposed regulations affect estates, charitable lead trusts and other trusts making payments or permanently setting aside amounts for a charitable purpose. **73 Fed. Reg. 34670 (June 18, 2008)**.

WITHHOLDING TAXES. The IRS has issued guidance on how an employer determines the amount of tax required to be withheld from supplemental wages paid under nine differing circumstances: (1) commissions at fixed intervals with no regular wages paid to the employee; (2) commissions at fixed intervals in addition to regular wages which are paid at different intervals; (3) commissions when an employee's accumulated commission credit reaches a specified numerical threshold; (4) draws in connection with commissions; (5) a signing bonus in advance of an employee actually starting employment; (6) severance amounts after employment has been terminated; (7) lump sum payments of accumulated annual leave; (8) annual vacation and sick leave payouts; and (9) sick pay when paid at a different rate from the regular wage rate. **Rev. Rul. 2008-29, I.R.B. 2008-24**.

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FARM INCOME TAX, ESTATE AND BUSINESS PLANNING SEMINARS

by Neil E. Harl

Outrigger Keauhou Beach Resort, Big Island, Hawai'i. January 6-10, 2009

Spend a week in Hawai'i in January 2009 and attend a world-class seminar on Farm Income Tax, Estate and Business Planning by Dr. Neil E. Harl. The seminar is scheduled for January 6-10, 2009 at the spectacular ocean-front Outrigger Keauhou Beach Resort on Keauhou Bay, 12 miles south of the Kona International Airport on the Big Island, Hawai'i.

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AALA ANNUAL AGRICULTURAL LAW SYMPOSIUM

The American Agricultural Law Association is holding its 29th annual Agricultural law Symposium on October 24 & 25, 2008 at the Marriott Hotel in downtown Minneapolis, MN.

Topics will include annual updates on bankruptcy, income and estate tax, federal farm programs, food safety and environmental law. Special panel presentations are being planned for topics of special interest to Minnesota and Midwest practitioners, as well as panel discussions on national agricultural law topics.

More information can be found on the AALA web site http://www.aglaw-assn.org or by contacting Robert Achenbach, AALA Executive Director at RobertA@aglaw-assn.org or by phone at 541-466-5444.