

is 6.14 percent, and the 90 percent to 100 percent permissible range is 5.52 percent to 6.14 percent. **Notice 2010-93, I.R.B. 2010-52.**

QUALIFIED DEBT INSTRUMENTS. The IRS has announced the 2011 inflation adjusted amounts of debt instruments which qualify for the interest rate limitations under I.R.C. §§ 483 and 1274A:

Year of Sale or Exchange	1274A(b) Amount	1274A(c)(2)(A) Amount
2011	\$5,201,300	\$3,715,200

The \$5,201,300 figure is the dividing line for 2011 below which (in terms of seller financing) the minimum interest rate is the lesser of 9 percent or the Applicable Federal Rate. Where the amount of seller financing exceeds the \$5,201,300 figure, the imputed rate is 100 percent of the AFR except in cases of sale-leaseback transactions, where the imputed rate is 110 percent of AFR. If the amount of seller financing is \$3,715,200 or less (for 2011), both parties may elect to account for the interest under the cash method of accounting. **Rev. Rul. 2010-30, 2010-2 C.B. 820.**

TAX RETURN PREPARERS. The IRS has issued proposed regulations relating to the requirement for “specified tax return preparers,” generally tax return preparers who reasonably expect to file more than 10 individual income tax returns in a calendar year, to file individual income tax returns using magnetic media pursuant to I.R.C. § 6011(e)(3). The proposed regulations reflect changes to the law made by the Worker, Homeownership, and Business Assistance Act of 2009, Pub. L. No 111-92, 123 Stat. 2997 (2009). The proposed regulations affect specified tax return preparers who prepare and file individual income tax returns, as defined in I.R.C. § 6011(e)(3)(C). For calendar year 2011, the proposed regulations define a specified tax return preparer as a tax return preparer who reasonably expects to file (or if the preparer is a member of a firm, the firm’s members in the aggregate reasonably expect to file) 100 or more individual income tax returns during the year, while beginning January 1, 2012 a specified tax return preparer is a tax return preparer who reasonably expects to file (or if the preparer is a member of a firm, the firm’s members in the aggregate reasonably expect to file) more than 10 individual income tax returns in a calendar year. **75 Fed. Reg. 75439 (Dec. 3, 2010).**

The IRS has issued a notice which contains a proposed revenue procedure that provides guidance to specified tax return preparers regarding the format and content of requests for waiver of the

magnetic media (electronic) filing requirement due to undue hardship, under I.R.C. § 6011(e)(3) and Prop. Treas. Reg. § 301.6011-6. The proposed revenue procedure also provides guidance regarding the time and manner in which specified tax return preparers who seek an undue hardship waiver of the electronic filing requirement must submit their written requests for consideration by the IRS. Finally, the proposed revenue procedure provides guidance to tax return preparers, specified tax return preparers, and taxpayers regarding how to document a taxpayer’s choice to file the taxpayer’s individual income tax return in paper format when the return is prepared by a tax return preparer or specified tax return preparer but filed by the taxpayer. **Notice 2010-85, I.R.B. 2010-51.**

STATE REGULATION OF AGRICULTURE

FARM MACHINERY. The defendant was cited for operating a cattle trailer on a public highway without a license on the trailer. The court held that the trailer qualified as farm machinery and was exempt from the licensing requirement under Ohio Rev. Code § 4501.01(B), which excluded farm machinery from the definition of motor vehicle. **Ohio v. Besanson, 934 N.E.2d 962 (Ohio Ct. App. 2010).**

WORKERS’ COMPENSATION

AGRICULTURAL LABOR. The plaintiff was hired to work primarily at a quarry but would occasionally be assigned to work on a farm owned by the employer. The plaintiff was injured while moving cattle on the farm. The employer sought to deny the plaintiff workers’ compensation benefits, arguing that the plaintiff was performing agricultural work when injured. The court upheld the Indiana Workers’ compensation Board’s ruling that the plaintiff was not an agricultural employee because the plaintiff was hired and worked primarily as a quarry laborer and only sporadically worked at farming activity. **Calcar Quarries v. Bledsoe, 2010 Ind. App. Unpub. LEXIS 1365 (Ind. Ct. App. 2010).**

Index to Volume 21, Nos. 1-23

Adverse Possession

Ejectment **171**
Fence **59, 83**

Animals

Horses **138, 178**
Strict liability **178**

Bankruptcy

General
Attorney’s fees **179**
Automatic stay **163**
Discharge **75**
Exemptions **91**
Homestead **114**

IRA **107**

Preferential transfers **43**
Chapter 12
Conversion **163**
Discharge **99, 114**
Dismissal **75**
Eligibility **75**
Sale of Chapter 12 estate property **75**
Federal Tax
Abandonments
Article by Harl **9**
Automatic stay **122, 139**
Child tax credit **83**
Claims **130**

Discharge **26, 43, 75, 91, 99, 107, 122, 130, 147, 154, 179**
Estate property **43**
IRS disclosures **83**
Offset **76**
Refund **3, 11, 35, 107, 115, 123**
Sale of Chapter 12 estate property **131**
Tax year
Article by Harl **89**
Transferee liability **123**

Contracts

Auction sale **115**
Farmer as merchant **179**
Hedge-to-arrive contracts **83**

Federal Farm Programs

Agricultural Management Assistance Program 3
 Agricultural Water Enhancement Program 59
 Biomass crop assistance program 27, 163
 Conservation 19, 123
 Conservation Loan Program 139
 Conservation Reserve Program 35, 84, 123
 Conservation stewardship program 91
 Corn 148
 Cotton 131
 Crop Assistance program 163
 Crop insurance 59, 123, 139, 179
 Dairy 3
 Emergency Conservation Program 115
 Emergency Forest Restoration Program 179
 Farm credit 84, 123
 Farm loans 155
 Farm program 67
 Genetically modified organisms 11, 171
 Karnal bunt 3, 171
 Imports 123
 Life insurance
 Article by Harl 105
 Milk 115
 National Organic Program 35, 139, 171
 Organic food 11, 107
 PACA 171
 Packers and Stockyards Act 3, 27, 99, 123
 Payment limitations 35
 Reimbursement Transportation Cost Payment Program 99
 Rice 148
 Specialty crop block grant program 27
 Swine 3
 Tree assistance program 84
 Tuberculosis 3, 155
 Vegetables 124
 Veterinarians 3
 Voluntary Public Access and Habitat Incentive Program 107
 Wetlands 172

Federal Estate and Gift Taxation

Administrative expenses 139, 155
 Alternate valuation date 11, 84, 139
 Beneficiary liability 124
 Charitable deduction 27, 100
 CCC loans
 Article by Harl 65
 Credit for prior transfers 155
 Deduction for state tax 148
 Deficiency notice 107
 Disclaimers 11, 27, 131, 155
 Equitable recoupment 139
 Estate property 27, 36
 Excess deduction
 Article by Harl 153
 Gift 11, 27, 51, 84, 100, 148, 163
 GSTT 4, 19, 51, 59, 67, 100, 107, 115, 131, 140, 155, 163
 Article by Harl 121
 Income in respect of decedent
 Article by Harl 17
 Income tax basis

Articles by Harl 81, 177
 IRA 115
 Late filing of return 91, 148
 Life estates
 Article by Harl 25
 Marital deduction 91, 100, 148, 179
 Power of appointment 91
 Refund 140
 Special use valuation 76
 Special use valuation and other elections on late-filed returns 67
 Taxable income 60
 Transfers made within three years of death 92
 Transfers with retained interests 131
 Trusts 19, 36, 84
 Trustee/executor fee 60
 Valuation 52, 60, 132

Federal Income Taxation

New legislation
 Articles by Harl 49, 145
 Accounting method 12, 76, 92, 172, 180
 Alimony 164
 Alternative fuel property credit 140
 Alternative minimum tax 36
 American Opportunity Credit 140
 Amortization 155
 Armed services 116
 Automobile expenses 149
 Bad debt deduction 132
 Bonds 180
 Business expenses 4, 36, 100
 Business expenses 132, 140, 180
 Business income 67
 Capital costs 124
 Capital gains 36, 156
 Carbon dioxide sequestration credit 172
 Casualty loss 67, 156
 Cellulosic biofuel producer credit 164
 Change of address 68
 Charitable deduction 4, 12, 19, 28, 52, 68, 116, 124, 132, 140, 156, 172
 Charitable contributions 60, 85, 92, 100, 164
 Child care expenses 108
 Child tax credit 43
 Child and dependent care credit 44
 Children 12
 Community property 92
 Conservation easements 149
 Constructive receipt 92
 Cooperatives 4, 37, 132, 149
 Corporations
 Accounting method 108, 172
 Constructive dividends 12
 Loss corporations 100
 Net operating losses 76
 Non-shareholder contributions to capital 19
 Officer compensation 101
 Reorganizations 52
 Returns 149, 156
 Successor corporation 85
 Valuation
 Article by Harl 137
 Court awards and settlements 12, 44, 53, 68, 76, 85, 92, 101, 108, 180

Crop insurance
 Article by Harl 1
 Debt instruments 92
 Deductions 85, 116, 141, 149
 Demutualization 53
 Dependents 4, 19, 92, 101, 133, 157
 Depreciation 37, 60, 85, 109, 124, 141
 Disabled access credit 76
 Disability payments 92, 109
 Disaster losses 13, 37, 45, 60, 68, 76, 85, 93, 116, 124, 133, 141, 157, 164, 172, 180
 Discharge of indebtedness 13, 44, 68, 77, 93, 101, 109, 133, 141
 Divorce 77
 Domestic production deduction 20, 28, 53, 68, 101, 141, 164, 173, 181
 Earned income credit 28
 Education credits 28
 Electricity production credit 149
 Employee benefits 13, 29, 45, 77, 86, 125, 142
 Employee expenses 150, 157
 Employee health insurance plans 116
 Employer hiring incentives 53
 Employee stock option plan 102
 Employment taxes 4
 Energy credit 173
 Environmental remediation expenses 85
 Estimated taxes 45
 Ethanol production credit 77
 Excise tax on tanning services 109
 Expense method depreciation 54, 93, 125
 Articles by Harl 161, 169
 Failure to prosecute tax case 86
 Filing status 164, 173
 First-time homebuyer credit 29, 109
 Forms 13, 86
 Frivolous tax returns 29, 37
 Fuel tax credit 173
 Gambling income 37
 General business credit 29
 General welfare payments exclusion 29
 Health coverage tax credit 54, 69, 150
 Health insurance 54
 Health insurance subsidy 20
 Health savings accounts 93
 Hedging 142
 Hobby losses 13, 37, 61, 102, 125
 Homebuyer credit 13
 Home office 164
 Housing credit 164
 Hybrid motor vehicle credit 93
 Income 29, 45, 165, 181
 Identity theft 125
 Inflation-adjusted items 165
 Information returns 5, 77, 109
 IRA 5, 30, 55, 61, 69, 110, 117, 126, 165, 181
 Article by Harl 97
 Innocent spouse 5, 45, 54, 69, 78, 86, 94, 102, 110, 117, 126, 157, 173, 181
 Installment reporting 20, 38, 78, 165
 Interest from governmental obligations 126
 Interest income 142
 Interest rate 38, 86, 133



- Inventory **110**
Investment income for children **38**
Investment income **142, 166**
Investment interest **30, 78, 126**
Involuntary conversion **69, 157**
Itemized and standard deductions **46**
Legal fees **5, 14, 55, 110, 166, 181**
Letter rulings **14, 20, 150**
Life insurance **117**
Like-kind exchanges **38, 133**
 Article by Harl **41**
Limited liability company **5, 61, 117, 126**
Loan versus sale **110**
Losses **5, 87, 150**
 Article by Harl **33**
Making work pay credit **20**
Medical expenses **14, 38, 78**
Mileage deduction **30, 46**
Military personnel **21**
Net operating losses **14, 69, 133**
New markets credit **102**
New vehicle sales and excise tax deduction **30**
Nonbusiness energy credit **133**
Non-conventional fuel production credit **78, 126**
Non-profit organizations **21, 126**
Partnerships
 Administrative adjustments **79, 94**
 Check-the-box election **61, 142**
 Definition **126**
 Article by Harl **129**
 Distributive share **102**
 Election to adjust partnership basis **6, 21, 61, 79, 134**
 Foreign partnerships **7**
 Income averaging
 Article by Harl **73**
Passive activity losses **14, 46, 61, 70, 94, 110, 126, 134, 142, 151, 158, 166**
Passive investment losses **117, 127**
Penalties **21, 55, 61, 70, 127, 143, 151, 174**
Pension plans **15, 21, 30, 46, 62, 78, 102, 111, 127, 143, 151, 158, 166, 174**
Personal service corporation **70**
Qualified debt instruments **6**
Real estate taxes **46**
Rebates **117**
Recordkeeping **117, 134**
Refunds **22, 30, 62, 127**
Repairs **181**
Residential energy property credit **174**
Returns **15, 22, 30, 46, 62, 70, 118, 127, 134**
Returns **158**
S Corporations
 Accounting method **158**
 Built-in gains **38**
 Compliance with tax law **15**
 Election **143, 174**
 Gross income **6**
 Passive investment income **30, 111, 118, 181**
 Returns **118**
 Second class of stock **39, 71, 79, 174**
 Shareholders **111**
 Shareholders **159**
 Trusts **159**
 Shareholder basis **55, 118, 127**
 Subsidiaries **79**
 Shareholders **159**
 Trusts **159**
Safe harbor interest rates
 January 2010 **6**
 February 2010 **23**
 March 2010 **39**
 April 2010 **55**
 May 2010 **71**
 June 2010 **87**
 July 2010 **102**
 August 2010 **118**
 September 2010 **135**
 October 2010 **150**
 November 2010 **166**
 December 2010 **182**
Sale of residence **102, 111**
 Article by Harl **113**
Savers credit **39**
Self-employment income **15, 30, 79, 103, 118**
Social benefit program payments **15**
Social security **6**
Social security benefits **39**
Social security taxes **46**
Start-up expenses **103**
Summer employment **111**
Tax appeals **62**
Tax Court **135, 159**
Tax credits **47**
Tax credit bonds **79**
Tax-exempt organizations **15**
Tax lien **135**
Tax payments **62**
Tax return preparers **15, 55, 79, 87, 119, 135, 159, 166, 182**
Tax scams **6, 119**
Tax Shelters **174**
Tax shelter promoters **87**
Tax statistics **87**
Trade or business **159**
Trade or business of farming **31**
Travel expenses **23, 94, 143, 160**
Trusts **103, 127, 160**
Unemployment benefits **31**
Voluntary payment of back taxes **167**
Withholding taxes **23, 31, 62, 71, 94, 119, 167**
Workers' compensation **135**
Labor
 Agricultural labor **7**
 Seasonal agricultural labor **31**
Landlord and Tenant
 Death of tenant **167**
 Lease **103**
 Tenant or sharecropper **63**
Products Liability
 Pre-emption **143**
Negligence
 Crop spraying **47**
 Duty of care to invitees **167**
 Horse breeding **103**
 Res ipsa loquitur **160**
 Veterinarian **71**
Nuisance
 Right-to-farm **95**
 Water runoff **71**
Property
 Drainage **182**
Secured Transactions
 Agricultural supplier's lien **71**
 Good faith purchaser **175**
 Priority **87, 143**
State Taxation of Agriculture
 Agricultural use **7, 63, 182**
 Timber **183**
Veterinarians
 Damages **7**
Workers' Compensation
 Horse trainer **87**
Zoning
 Confined animal feedlot operation **7**
 Prior nonconforming use **183**