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The American Recovery and Reinvestment Act of 2009

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Market Report	Yr Ago	4 Wks Ago	2/13/09
Livestock and Products, Weekly Average			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight.	$90.24	$82.88	$80.87
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb.. . . .	126.61	113.79	112.42
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb.	*	97.33	94.54
Choice Boxed Beef, 600-750 lb. Carcass.	151.14	149.78	136.62
Western Corn Belt Base Hog Price Carcass, Negotiated.	57.85	58.07	61.08
Feeder Pigs, National Direct 50 lbs, FOB.	50.34	60.00	63.80
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean..	62.92	56.80	58.13
Slaughter Lambs, Ch. & Pr., Heavy, Wooled, South Dakota, Direct.	88.12	95.37	95.00
National Carcass Lamb Cutout, FOB.	256.66	256.29	249.03
Crops, Daily Spot Prices			
Wheat, No. 1, H.W. Imperial, bu..	10.12	5.29	4.97
Corn, No. 2, Yellow Omaha, bu.	4.89	3.76	3.55
Soybeans, No. 1, Yellow Omaha, bu.	12.77	9.91	9.55
Grain Sorghum, No. 2, Yellow Dorchester, cwt..	8.75	5.29	5.05
Oats, No. 2, Heavy Minneapolis, MN , bu.	3.57	2.48	1.89
Feed			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton.	135.00	*	200.00
Alfalfa, Large Rounds, Good Platte Valley, ton..	85.00	77.50	77.50
Grass Hay, Large Rounds, Premium Nebraska, ton..	*	85.00	85.00
Dried Distillers Grains, 10% Moisture, Nebraska Average.	161.50	145.00	137.50
Wet Distillers Grains, 65-70% Moisture, Nebraska Average.	58.00	44.87	46.00

*No Market

President Obama signed the $787 billion economic stimulus package into law on February 17, 2009. What will this mean to individuals or to tax law for 2009?

"The Checks Aren't In the Mail" – There will be no checks in the mail to families this year. But for many working individuals, there will be more money in your paycheck. The withholding brackets are being adjusted so individuals should receive an extra $400 through their paychecks (spread out through the year), and couples would receive $800. This will spread out the payments, making it more likely to be spent rather than saved or used to reduce debt.

What about the farmer or other self-employed individual? It seems they will be left out of this stimulus. Non-farmers or fishermen, who are required to make quarterly estimates, should be able to reduce their annual estimates by the $400/$800 amount. But since farmers make no estimates, there is no change for them. There will be a credit available on the 2009 tax return for anyone who either can't or chooses not to take advantage of this money now.

The only exception is for individuals receiving Social Security benefits and individuals on disability. They will receive a one-time payment of $250.

"Patching the AMT" – They have also included another one-year patch to the Alternative Minimum Tax problem. For the last several years, these one year patches have been taking place. In 2007, the problem lasted until late in December, so it got a little press at that time. Many households would be affected by the AMT if these patches weren't put in place. While this will not change anything from the past, if it had not been done it would have cost many families thousands of dollars in extra taxes.

"Back to School" – There were a couple of changes to provisions affecting post-secondary education. The first affects what is allowed as a qualified education expense for 529 Plans. A 529 Plan is a state sponsored educational savings plan, and starting in 2009 qualified computer technology and equipment will be allowed as an expense to be reimbursed that is non-taxable.

The second change affects the Hope Credit. This credit in the past has allowed students in the Freshman or Sophomore years in college to take a credit (or a reduction in actual tax paid) of 100 percent of the first $1,200 spent and 50 percent of the second $1,200 spent, or a maximum of $1,800. The change allows 100 percent of the first $2,000 spent and 25 percent of the next $2,000 on qualified tuition and fees (no expansion of that definition, i.e. computers, etc.), or a maximum of $2,500. They have also made this credit up to 40 percent refundable. In the past, you had to have income tax to offset, and any remainder was lost. Now, you could receive up to $1,000 as a refund, even if you don't actually pay any tax.

"Buy A House" – The first time home buyer credit that went into effect in 2008 has also been changed. In 2008, if you bought your first home, you got a $7,500 credit that had to be repaid over the next 15 years or $500 per year with no interest. It was almost an interest free loan rather than a credit. They changed the limit to $8,000 for 2009 and waived the payback requirement unless you sell the home or it is no longer your personal residence within 36 months of purchase. The house must be purchased between January 1, 2009 and December 1, 2009.

All of these provisions are subject to phase-outs for higher-income individuals. For example, if you make more than $75,000 for individuals or $150,000 for a couple, you will get a reduced value to your withholding reduction or be ineligible for the first time home buyers credit.

There are many provisions included in this bill, and the details are still being worked out. If you think you qualify for one of these provisions, be sure to talk with your tax advisor about the specifics of the program and how it affects your taxes.

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