



Brockett's Ag Advice

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A Tax Warning
You will be filing additional tax forms this year under the threat of

Valiant

(Continued from Page E30)

Valiant for \$1,500.00. A second cow by Valiant, Fay-Ark Valiant Marsha (EX-90), sold with her daughter by Leadfield Columbus for \$1,000.000. Two other Valiant daughters in the sale brought \$300,000 and \$250,000.

While all this glamour and excitement was developing, information released by the Holstein Association provides even more meaningful testimony as to what the Valiants are doing in everyday dairy circles.

Two Holstein performance reports, made available by the Association, lists the nation's top Holstein cows based on their production and type. The lists are derived from information available on over 400,000 registered cows that have been production tested and classified.

The Locator List includes the leading 5,000 cows or top two percent of the breed. Nine hundred and sixty-three daughters of Valiant account for 19 percent of this list.

As the list is narrowed down to the top 200 on the Premier Performers List, Valiant dominates even more. He sired 68 or almost 1/3 of the Holstein breed's best cows.

Glendell, with 21 daughters, is second, and Elevation, with 19, is third.

a big penalty if you don't. Those forms are 1099s. The penalty is \$50 for each one you fail to file. You can send for the forms by using the order blank in the back of your tax packet or the order form in Circular A "Agricultural Employers Tax Guide." That is what the IRS instructions say anyway. However they also put a limit on the number they will send to you. Fill in the form number in the blank space on the form. Send to Forms Distribution Center, PO Box 25866, Richmond, VA 23260.

Which Form

If you paid \$600 or more for interest, rent, machine hire, sub contract work, commission, fees or service to an individual you will need a "1099-INT" for interest paid and "1099-MISC" for the others listed.

Let's look at a list of common items for which you should probably issue a 1099.

1. Interest paid on money borrowed from anyone including a relative if it is over \$600. This would include interest on installment sales. Use a 1099-INT.
2. Rent paid to a partner by a partnership. Use a 1099-MISC.
3. Rent paid to anyone for

anything by anyone if it is over \$600. Use a 1099-MISC (not rent paid to a leasing company)

4. Custom work such as combining, corn planting, baling or silo filling if it is over \$600. Use a 1099-MISC.

5. Bulldozing or other machine work such as farm lane grading, ditch digging, foundation digging, tile laying or clean up if it is over \$600. Use a 1099-MISC.

6. Fees paid to your veterinarian for services if over \$600. (You do not have to include supplies). Use a 1099-MISC.

7. Royalties you may pay for the use of someone else's bull. Use a 1099-MISC.

8. Hired man's milk, pigs, corn, etc sold with yours then paid out of your account to him or her if over \$600. Use a 1099-MISC.

The average dairy farmer in central Pennsylvania is probably liable for 6 to 10 forms. They come in sheets of 3 with 3 copies of each. One copy is to be sent to the person you pay. One copy goes to the IRS. One copy should be attached to your 1984 tax return. You will need it if you are audited.

NOTICE

Last year the forms were evidently in short supply - I was able to get enough 1983 forms for use in our office. The IRS sent me 1984 forms instead. Also, it may take up to 3 weeks to receive the forms from the distribution center. From the above list of 8 common items figure how many you will need. Order them now. They are supposed to be sent to the recipient by the end of January. The IRS copy is due with a 1096 by the end of February. Now get this: Next year

those who receive interest will probably have to file a form saying they received it. Don't ask my why.

You Will Need

To fill out the 1099 form, you will need the recipients social security number, address, and correct name. If the recipient refuses

supply you with any of these, send it in with the note that you were unable to procure it from the recipient. Then you will probably have to withhold 20% of it next year and send it in to the IRS. In other words you may become a tax collector. How do you like that?

Ski patrol endorses milk

SYRACUSE - Throughout the years, a number of groups and individuals have come out with endorsements for milk. The latest group on this list is the National Ski Patrol, which has teamed up with the American Dairy Association and Dairy Council in declaring milk as its official beverage.

The endorsement of milk comes at a time when the Ski Patrol is involved in promoting the importance of proper nutrition as a factor in safe skiing. According to Stephen Over, Executive Director of the National Ski Patrol, "Most injuries occur because people aren't prepared for skiing, they're nutritionally unsound as well as physically unsound. Dairy foods form part of the solid nutritional base required to stay healthy before, during and after the ski season."

The National Ski Patrol wants to make skiers aware of the fact that preparing physically for the ski season is not enough. Skiers must complement their physical training with a sound nutritional program. Strong bones are certainly a necessity for skiers. Dairy products supply 72 percent of the

daily calcium needed to develop and maintain strong bones.

The National Ski Patrol has historically been recognized as an authority on ski safety. In existence since 1937, it has over 24,000 members patrolling ski areas throughout the United States. While the majority of their time is spent patrolling the slopes, they are also involved in providing ski safety information through appearances in their local communities.

As Over states, "We want skiers to be healthy both inside and out. By declaring milk as our official beverage, we hope to raise skiers awareness of staying healthy through nutrition."

As a complement to the National Ski Patrol endorsement, the American Dairy Association and Dairy Council has initiated a ski advertising campaign at 45 ski areas throughout New York, New Jersey and Pennsylvania. The ads, which promote milk, consist of billboards which are placed on ski lift towers. They read, "A Strong Finish Needs a Strong Start, Milk Products Supply Over 70 Percent of Your Calcium Needs."

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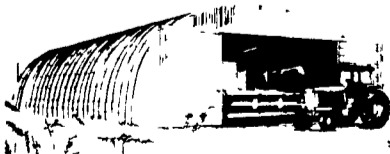
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