

## Tax Reform Means Double Taxes For Farmers

UNIVERSITY PARK—The Tax Reform Act of 1986 will more than double the federal tax bill of almost half of Pennsylvania's family farms, according to a Penn State study.

For 41 percent of the state's family-owned farms, taxes will increase an average of 132 percent, or \$1,343, when the new law is fully implemented in 1988, concluded Larry C. Jenkins, extension economist in Penn State's Department of Agricultural Economics and Rural Sociology, and William Grisley, formerly of the department.

For 45 percent of the farm families, there should be no change in income tax, Jenkins says. Many of these families paid little income tax under the prior law because of a combination of factors, including low earnings, substantial personal deductions, large business deductions such as depreciation, and the use of investment credits.

A lucky 14 percent will actually pay less tax under the new law, the researchers found. They are not sure what factors are involved in those cases, but believe the larger

standard deduction and personal exemptions included in the new law may be responsible.

However, 41 percent of the state's more than 50,000 family farms will pay more in taxes in the wake of tax reform. Jenkins says the increase will vary depending on the type of farm, family size and other factors. The researchers analyzed data from more than 3,000 Pennsylvania single-family farms of all types to predict tax payments.

Those dairy farms that pay higher taxes will see their bills go up an average of \$1,305 more per family, an average increase of 159 percent, Jenkins says. Other increases and percent increases for those farms that see increases will be: crops, \$1,292 more (88 percent increase); beef, \$996 (89 percent); sheep, \$695 (67 percent); hogs, \$1,543 (116 percent); turkeys/broilers, \$2,270 (106 percent); eggs, \$3,970 (87 percent); vegetables, \$1,114 (185 percent), and fruit, \$2,039 (77 percent).

For dairy farmers, the most devastating portion of the new tax law is probably the loss of the capi-

tal gain exclusion, Jenkins said. Formerly, farmers who sold cull livestock such as aging dairy cows only had to pay taxes on 40 percent of the sale price. Now, they must pay taxes on the entire amount, adding \$3,900 to the taxable income of the average dairy farm.

For poultry farmers, the loss of investment credits will hurt the most, Jenkins says. Many of them have been expanding in recent years, and were able to deduct 10 percent of the cost of buildings and equipment from tax payments each year.

Also affecting tax payments are loss of the two-earner deduction; changes in depreciation regulations; and changes in the way farmers count expenses they must put into an operation before they see a return on their investments, Jenkins says.

A detailed review of the study on the impact of the Tax Reform Act of 1986 on Pennsylvania Farmers is available by writing to Farm Management Extension, 202 Armsby Building, The Pennsylvania State University, University Park, PA 16802, or by telephoning (814)865-7656.



The Model 475 loader can lift 3,600 pounds to a height of 12½ feet.

## Deutz-Allis Introduces Front-End Loader

MILWAUKEE, Wisc.—Like an Olympic weightlifter, the new Deutz-Allis Model 475 loader hefts staggering loads into the air with ease. Not only that, but the Model 475 has the muscle to carry those big loads the distance, too.

Designed for Deutz-Allis tractors from 110 through 145 PTO horsepower, the Model 475 can lift a maximum 3,600 pounds to a full height of 12 1/2 feet—in 7.7 seconds. The loader's breakout force is 5,600 pounds and carrying capacity at three feet from ground level is 4,700 pounds.

The loader features the "Quick-

on" system which provides for easy attachment or removal in less than five minutes. No tools are required.

The Model 475 is equipped with a wide, 3 1/2-inch boom section and 1 1/4-inch-diameter pivot pins for extra durability. For loader hydraulic control, operators have their choice of tractor levers or a single-lever "joystick."

Three bucket widths are available: 84, 94 and 104 inches. Options include bucket Quick-Attach for easy "no-tools" changes and grapple fork tines for moving bales and loose material.

## Reinforcing Rings Strengthen Wheels

WARSAW, Ind. ~ Unverferth Manufacturing, Kalida, Ohio, provides 6-, 8-, 9-, and 10-hole reinforcing rings to strengthen or repair the bolt circle on most wheels.

The rings are ideal for a wide range of agricultural and industrial wheels, combine wheels, dual wheels, or anywhere heavy use is expected.

Unverferth reinforcing rings are made of high tensile, corrosion-resistant steel for reliable service and weigh from 2lb to 10 pounds.

For more information about strengthening wheels with reinforcing rings, contact Unverferth Mfg. Co., Inc., P.O. Box 357, Kalida, OH 45853. Phone 1-800-537-9442.



Unverferth Reinforcing Rings

## 3 Elected To Soybean Board

DOVER, Del. — Three Delaware soybean producers were elected to serve on the Delaware Soybean Board during statewide elections held recently.

In New Castle County, Robert Emerson of Middletown was selected by his fellow soybean producers to a three-year term on the Board.

In Sussex County, Gary Ockels of Milton was chosen to represent soybean producers on the board. Richard Clendaniel of Lincoln was re-elected to another three year term.

The three elected during June

voting join six other soybean producers to make up the Delaware Soybean Board. The Board oversees the collection of the one-cent-per-bushel soybean checkoff program in Delaware. Funds from the checkoff are used for research and market development.

ROPE IN SOME EXTRA CASH!

Advertise With A Lancaster Farming CLASSIFIED AD

Phone 717 394 3047 or 717 626 1164



## Dairy Scientist Receives Award

SYRACUSE, NY—James E. Nocek of Lafayette, NY, is the recipient of the 1987 Young Scientist Award sponsored by the Northeast Section American Dairy Science Association - American Society of Animal Science. Dr. Nocek is the first industry researcher to receive this honor in the 12-year history of the award. He is manager, dairy and livestock research, for Agway, Inc., Syracuse, NY. The award was presented July 7 at the association's regional meeting at the University of Delaware, Newark.

Dr. Nocek, 35, was raised on a western New York dairy and grape farm. He received the A.A.S. degree from Alfred State College, Alfred, NY, a B.S. in animal science from Cornell University, and the M.S. in dairy science from The Pennsylvania State University. His Ph.D. in animal science was



Dr. James E. Nocek

obtained in July 1980 from Virginia Tech where he was a post-

doctoral fellow.

Dr. Nocek joined the Agway research & development department in December 1980. He also serves as an adjunct assistant professor in the department of animal science at the University of New Hampshire.

Much of Dr. Nocek's work is with applied dairy cattle nutrition and management research. He developed a new way to measure non-structural carbohydrate levels in feed stuffs to formulate dairy rations. This resulted in the first-ever introduction, in September 1984, of commercial dairy feeds formulated to regulate non-structural carbohydrates. Two U.S. patents have been granted as a result of his research efforts and three Canadian patents are pending.

Dr. Nocek resides with his wife Patricia and their two children.

## An-Tech Offers Pregnancy Test

PHOENIX, Ariz.—An-Tech International, a Farnam Companies affiliate, recently acquired the exclusive marketing rights to Open Alert, a bovine progesterone assay test developed by Quidel of La Jolla, Calif.

Open Alert is a technologically advanced test to diagnose the reproductive status of lactating cows by measuring progesterone levels in milk. Clinical studies have shown that by using monoclonal antibody methods, progesterone level testing can be more than 94 percent effective in detecting open cows 21-24 days post-breeding. Open Alert uses patented and patent pending technology which will verify questionable heats and identify open cows, enabling dairy farmers to re-inseminate if necessary without losing a cycle.

The product is the first 3-step, truly cow-side test of its kind specifically designed to be used by the dairy farmer in the dairy environment. Accurate results are obtained within 9 minutes without expensive laboratory testing or additional equipment. Each test consists of two pre-measured vials

and a chemically treated strip for easy-to-use, fast, accurate testing. Test results and data can be written

on each strip for convenient record-keeping on individual cows.



An-Tech's bovine progesterone assay test has been shown to be more than 94 percent effective in detecting open cows 21-24 days post-breeding.