



# Planning Pieces

## Ag Arena

**Cash Rents.** The University of Illinois' Department of Agricultural and Consumer Economics (ACES) in one of its recent Farmdoc newsletters highlighted a survey conducted by the National Agricultural Statistical Service (NASS) branch of the USDA that examined 2008 average cash rents by county. Perhaps not surprisingly, the highest average cash rents in Illinois are close to home: Sangamon (\$224), Moultrie (\$213), Macon (\$211), Logan (\$210), Piatt (\$205) and Macoupin (\$204). Champaign County came in at \$196. Most higher-end rents were found in the northern two-thirds of the state. Conversely, all cash rents below \$100 per acre were concentrated in southern counties: Richland (\$99), Hamilton (\$96), Washington (\$95), Marion (\$93), Randolph (\$90), Jefferson (\$82), and Perry (\$75). The ACES office noted that there may be some downward pressure on cash rents for 2010 in light of lower farmland returns in 2009 and projected commodity prices in the high \$3.00 range for corn and \$8.00 range for beans.

To see the full map: [http://www.farmdoc.uiuc.edu/manage/newsletters/fefo09\\_08/FEFO\\_09\\_08\\_fig1.jpg](http://www.farmdoc.uiuc.edu/manage/newsletters/fefo09_08/FEFO_09_08_fig1.jpg)  
For full story on projections: [www.farmdoc.uiuc.edu/manage/newsletters/fefo09\\_06/fefo09\\_06.html](http://www.farmdoc.uiuc.edu/manage/newsletters/fefo09_06/fefo09_06.html)

**2032A Special Use Valuation** The IRS recently suggested that being retired does not necessarily preclude the decedent or the decedent's surviving spouse from being a "material participant" for purposes of electing special use. If the decedent was retired at the time of death but materially participated for 5 out of the 8 years preceding his retirement, he may qualify as a material participant. Furthermore, if his surviving spouse was also retired on the date of decedent's death, the spouse may also be deemed to be a material

## Good To Know—Aging Adults

Social Security recipients should be aware that for the first time ever there is expected to be no cost-of-living adjustments (COLAs) in 2010 with low or no COLAs being projected through 2012. There is some concern, however, that Medicare Part B premiums will not be kept from rising, creating implications for a sufficient number of beneficiaries. To read more, see the brief "The Social Security COLA and Medicare Part B Premium: Question, Answers, and Issues" at the Kaiser Family Foundation website: <http://www.kff.org/medicare/7912.cfm>.

A recent study by Genworth Financial, Inc. (a leading long-term care insurance provider) revealed the not-so-surprising result that the cost of care for older adults raised across the board for 2009. Nursing homes, in-home care and assisted living facilities were all up in cost despite the recession. The average price for a private room at a nursing home? \$74,208. The cost for a one-bedroom unit in an assisted living facility? \$33,903. For both types of care, the Northeast was found to be most pricey. To read the survey: [http://www.genworth.com/content/etc/medialib/genworth\\_v2/pdf/ltc\\_cost\\_of\\_care.Par.73347.File.dat/Summary%20of%20Findings\\_gnw.pdf](http://www.genworth.com/content/etc/medialib/genworth_v2/pdf/ltc_cost_of_care.Par.73347.File.dat/Summary%20of%20Findings_gnw.pdf)

And finally, a story recently published in Reuters Health painted a sad picture for the relationship between commonly-prescribed drugs and the existence of dementia-like illness in older adults. Anticholinergics (which range from over-the-counter Benadryl to prescription Ditropan and Paxil) can impair the function of the cholinergic system which is required for attention, concentration, and memory. Because these types of drugs are so widely prescribed in older adults, the link between them and dementia-like symptoms is cause for concern. For full story: <http://www.reutershealth.com/archive/2009/06/15/eline/links/20090615elin001.html>



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## Bits and Pieces from the ARRA

The American Recovery and Reinvestment Act passed in February was such a large piece of legislation (nearly \$800 billion in spending and tax cuts) that many of the benefits are still coming to light. Among those that may be of interest:



**Tax Break on New Car Purchases** The ARRA allows individuals who purchase a new motor vehicle in 2009 to deduct state and local sales or excise taxes on the purchase. To qualify, the vehicle must be purchased after February 16 and before January 1, 2010. The amount of the deduction is phased out for individual filers whose adjusted income is between \$125,000 and \$135,000, and joint filers with adjusted incomes between \$250,000 and \$260,000.

**Funds Earmarked for Older Adults** The ARRA also included some highlights of general importance to some of our aging population including:

- \$100 million for senior nutrition
- \$10 billion for the National Institute of Health to study Alzheimer’s, Parkinson’s, cancer and heart disease
- \$87 billion increase in FMAP which helps states meet rising need caused by Medicaid enrollment
- \$562 million for temporary extension of Medicare Qualified Individual (QI) program which assists with paying Part B premiums
- \$1 billion for Prevention and Wellness Fund to fight preventable diseases

Source: *NAELA News, Vol 21, Iss 2, pp 12-13*

**Faster Write-Offs for Certain Small Business Capital Expenditures** While businesses typically recover the cost of capital investments through annual depreciation deductions over the course of several years, the ARRA provides two avenues in 2009 for maximizing write-offs. First, the Act extended what is known as the “bonus depreciation” provision which essentially allows businesses to deduct 50% of the cost of qualifying property in the same year it is placed in service rather than depreciating it over time. Second, the Act increased the limits on what is known as the Section 179 deduction, which provides for the deduction of up to \$250,000 (up from \$133,000) of the cost of machinery, equipment, vehicles, furniture, and other qualifying property placed in service during 2009. But, as far as we know, these provisions are only available during 2009 so businesses must act this year in order to capitalize on the opportunity.

## Back to Basics



**“Effective estate planning relies on equal doses of compassion and knowledge of the law”**

Execution of a valid will in Illinois requires that the testator be at least 18 years of age and of sound mind. The formalities require that the testator declare that the will is his will, and have it attested by two witnesses. The witnesses should see the testator sign, the testator should see the witnesses sign, and the witnesses should see each other sign. Likewise, revocation of a will requires the same formality. In Illi-

nois, a will may be revoked only by burning, tearing or obliterating it, by validly executing a new will, or by the execution of a revocation in a manner identical to the execution of a valid will. While the rules vary among states, a recent New Mexico case underscored the importance of complying with the formalities. Where testator was unable to locate his original will but had written “revoked” on each and every page

of a photocopy and had signed and witnessed a document purporting to revoke his original will, the court held the acts invalid to revoke the will since New Mexico rules only provided for revocation on an *original* document. *Gushwa v. Hunt*, 197 P.3d 1 (N.M. 2008).