

Newsletter

AGRICULTURE & NATURAL RESOURCES

DECEMBER 2011

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New Publication on Assessing Disease in Corn, Soybean, and Wheat

By: Paul Vincelli and Don Hershman

Extension agents, consultants, and advanced producers may occasionally wish to assess the level of foliar disease in their on-farm trials. Most agricultural professionals feel uncertain about how to go about doing this. Thus, we created a new Extension publication, entitled *Assessing Foliar Diseases of Corn, Soybeans, and Wheat—Principles and Practices*. This publication provides the basics on how to do make these assessments.

This new publication can be found online at http://www.ca.uky.edu/agcollege/plantpathology/ext_files/PPFShtml/PPFS-MISC-6.pdf. We hope it is useful to practitioners in the field, and we invite questions as well as comments about how to improve it.

2012 Seed Selection

By: Todd Powell

When starting to think about the upcoming year, there are many decisions that will have to be made. As you start to think about the seed varieties that you are going to purchase be sure and pick up a copy of the 2011 UK Variety Trails. These can be picked up at the Extension Office or online at <http://www.uky.edu/Ag/GrainCrops/> under Timely Resources. Also available at the Extension Office are the results from the UK / UT Round-Up Ready Trail that was conducted here in Calloway County on Murdock & Sons Farms. All of these trails are unbiased replicated trails that will help you make your seed decisions for 2012.

Dates to Remember

By: Todd Powell

December:

- **Early Bird Grain Meeting**
Sedalia Restaurant
December 8, 2011 at 8:30 am
- **Where do all those Beef Cuts Come From?**
Calloway County High School Ag Classroom
December 12, 2011 at 7:00 pm
- **Feeding Your Horse on a Budget**
Marshall County Extension Office
December 13, 2011 at 7:00 pm
- **Rations Made Simple**
Calloway County High School Ag Classroom
December 19, 2011 at 7:00 pm

January:

- **WKY Beef Conference**
Marshall County Extension Office
January 5, 2012 at 7:00 pm
- **Resistant Weed Meeting**
Young Center, Clinton KY
January 9, 2012 at 5:30 pm
- **UK Winter Wheat Meeting**
Christian County Extension Office
January 10, 2011 at 8:30 am
- **Purchase Area Irrigation Conference**
Lowry's Shop - Pilot Oak, KY
January 12, 2012 at 8:30 am
- **Legal Updates for Farm Vehicles**
Calloway County Fairgrounds Meeting Hall
January 16, 2012 at 7:00 pm

H2A Info

By: Todd Powell

While I am hesitant to make a point of this I feel that you need to know. According to the IRS Website on Foreign Agriculture Workers, (<http://www.irs.gov/businesses/small/international/article/0,,id=96422,00.html>) as of September 2011 H2A Employers are required to issue W-2's to their workers. Now with that being said, I am not an accountant, I am just passing the information along to you. I suggest reading the below excerpt from the webpage and then go and talk to your accountant and decide how to proceed from there. A quick way to access this article is either by the above web address, or by going to Google and do a search for "Foreign Agriculture Workers" and it will be one of the first links that comes up. The page reads:

Foreign agricultural workers temporarily admitted into the United States on H-2A visas are exempt from U.S. Social Security and Medicare taxes on compensation paid to them for services performed in connection with the H-2A visa. This is true whether they are resident aliens or nonresident aliens. In addition, compensation paid to H-2A agricultural workers for services performed in connection with the H-2A visa are not considered to be "wages" for purposes of income tax withholding.

Beginning in 2011, an employer must report compensation of \$600 or more paid to an H-2A agricultural worker in a calendar year for agricultural labor on Form W-2, Wage and Tax Statement. The employer will report the compensation in box 1 (Wages, tips and other compensation). No amount should be reported in box 3 (Social Security wages) or box 5 (Medicare wages). No amount should be reported on line 2 (wages subject to Social Security tax) or line 4 (wages subject to Medicare tax) on Form 943, Employer's Annual Federal Tax Return for Agricultural Employees.

Employers are not required to withhold federal income tax from compensation paid to an H-2A visa agricultural worker. Employers should withhold federal income tax only if the H-2A visa agricultural worker and the employer agree to withhold. The employee must provide a completed Form W-4,

Employee's Withholding Allowance Certificate. If the employer withholds income tax, the employer will report the tax withheld in box 2 (Federal income tax withheld) on Form W-2 and on line 6 (Federal income tax withheld) on Form 943. Please see Publication 51 (Circular A), Agricultural Employer's Tax Guide, for the withholding tables and deposit requirements.

An H-2A agricultural worker is eligible to obtain a Social Security Number (SSN) from the Social Security Administration (SSA). For IRS information reporting purposes, the H-2A agricultural worker should provide his or her SSN to the agricultural employer. If the H-2A agricultural worker fails to furnish his or her taxpayer identification number (TIN) to the employer, for example, fails to furnish his or her SSN, and the aggregate annual payments made to the H-2A agricultural worker are \$600 or more, the employer must begin backup withholding on the payment(s) at the rate of 28% and continue withholding until the H-2A agricultural worker furnishes his or her TIN. The employer will report the compensation subject to backup withholding and the tax withheld on Form 1099-MISC, Miscellaneous Income, and Form 945, Annual Return of Withheld Federal Income Tax, instead of on Form W-2 and Form 943. See the Instructions for Form 1099-MISC and the Instructions for Form 945.

An employer who fails to do backup withholding when required will be held liable for the amount of the backup withholding tax which should have been withheld from the H-2A agricultural workers' compensation.

The usual 30% withholding requirement under section 1441 of the Internal Revenue Code with respect to personal service income paid to a nonresident alien does not apply in the case of a nonresident alien H-2A agricultural worker. Similarly, the Form 1042-S reporting requirement on wages paid to a nonresident alien H-2A agricultural worker is waived because the payments are required to be reported on Form W-2 (or Form 1099-MISC in the event of backup withholding).

Income tax treaties may affect the taxation of H-2A agricultural workers in the United States. An H-2A visa holder who is a U.S. resident under the

substantial presence test in section 7701(b) of the Code may also be a resident of his or her home country under that country's tax laws. U.S. income tax treaties contain tiebreaker rules that apply in situations where an individual would otherwise be treated as resident of both the United States and the other country. H-2A visa holders who are treated as residents of the other country under a tiebreaker rule will be treated as nonresident aliens in figuring their U.S. income tax liability if they file Form 8833, Treaty-Based Return Position Disclosure Under Section 6114 or 701(b). Alternatively, they may elect, on a year-by-year basis, to be treated as U.S. residents. H-2A visa holders who are treated as residents of the United States under a tiebreaker rule will be treated as U.S. residents and will be subject to the saving clause in the treaty. Please see Publication 519, U.S. Tax Guide for Aliens, for an explanation of the alien residency rules for tax purposes. Nonresident aliens may be eligible for treaty benefits under the article dealing with income from services (e.g., Independent Personal Services, Dependent Personal Services, Income from Employment, or Business Profits).

Finally, be aware that a tax treaty claim cannot be honored on Form 8233, Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual, or Form W-8BEN, Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding, for a treaty claimant who does not provide an SSN or ITIN to the withholding agent on those forms.

Income Tax Return Filing Requirements

Income tax return filing requirements for H-2A agricultural workers are as follows:

- Nonresident aliens whose total annual wages are less than the personal exemption amount (refer to Publication 501, Exemptions, Standard Deduction, and Filing Information), and who have no other U.S. source income, are not required to report their wages on Form 1040NR, U.S. Nonresident Alien Income Tax Return, or Form 1040NR-EZ, U.S. Income Tax Return

for Certain Nonresident Aliens With No Dependents.

- Nonresident aliens whose total annual wages are equal to or exceed the personal exemption amount are required to report their wages on Form 1040NR or Form 1040NR-EZ, even though part or all of their wages may be exempt under an income tax treaty.
- Resident aliens are required to file Form 1040, U.S. Individual Income Tax Return, Form 1040A, U.S. Individual Income Tax Return, or Form 1040-EZ, Income Tax Return for Single and Joint Filers With No Dependents, if their total worldwide income equals or exceeds the filing requirement amounts published annually in the Instructions for Form 1040.

For more information about any of the information presented please feel free to contact The Calloway County Extension Office.

Newsletter submitted by,

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To file a complaint of discrimination, contact Jim Lawson, UK College of Agriculture, 859-257-3879; Terry Allen or Patty Bender, UK Office of Institutional Equity and Equal Opportunity, 859-257-8927; or the USDA, Director Office of Civil Rights, Room 326-W Whitten Bldg., 14th & Independence Ave. SW, Washington, DC 20250-9410 (202-720-5964).