Summer 2026

TelFarm Newsletter

Farm Records Since 1928

https://www.canr.msu.edu/telfarm

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Exciting News for PcMars Customers

Since Traction Ag acquired PcMars in November 2025, we've received a lot of questions about what's next. The good news is that if you're using PcMars for your farm accounting, nothing is changing. PcMars isn't going away, and you can continue using your desktop software just as you always have.

At the same time, we know some customers are interested in what today's cloud-based technology can offer. That's why Traction is hosting a series of educational webinars to introduce their cloud-based farm accounting software. You'll see how cloud accounting can provide access from anywhere, connect with tools like John Deere Operations Center and Climate FieldView, automatically import bank transactions and field records, and give you deeper insights into your farm's profitability.

There is no pressure and no obligation to make a change. These free webinars are simply an opportunity to learn what's available and decide if a modern cloud accounting solution might make sense for your operation—now or sometime in the future. At this time, it has not been determined if/how the TelFarm program will support Traction’s cloud based software. We will continue to support PcMars.

View webinars and learn more at:
https://www.tractionag.com/pcmars

PcMars
Farm Accounting Software

Traction

TelFarm Participation Awards

Congratulations to the following farms for reaching these milestones last year and thank you for working with us!

50 Years—

Heck Farms—Monroe

Ruggles Farms—Marlette

Ernst Farm—Ann Arbor

25 Years—

Cheney Farms—Mason

Rhoadside Acres—Cedar

Stroven Farm—Fremont

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TelFarm Announces Change to Income Tax/Check-In Meetings

Due to the growing complexity of income tax laws and their impact on farm businesses, the Tax Estimator Program (TEP) used in previous income tax planning meetings is being discontinued. Effective this year, Tax Estimates will not be offered as part of the TelFarm income tax planning check-in meetings.

District Farm Business Management Educators will still be offering income tax planning check-in meetings this Fall. In a tax planning meeting, educators will help summarize information in your accounting records to provide to your tax preparer. Summary information includes actual and expected revenues and expenses as well as sales or purchases of capital assets.

The TelFarm Center will also still be providing a Depreciation Schedule and Year-End Cash Summary Report. The summary report will be from the latest backup file received at the TelFarm Center, if we have completed records through October.

For questions related to income tax planning meetings, please contact the TelFarm office.

Presentations for Farmers

Chris Bardenhagen, one of the MSUE Farm Business Management Educators, recently teamed up with other industry professionals to record some presentations that we think are relevant to TelFarm producers. Check out the links below

- Protecting the Farm: Medicaid Planning and What Farmers Should Know: https://www.canr.msu.edu/news/protecting-the-farm-medicaid-and-what-farmers-should-know
- Conservation Easements within Farm Succession Planning: https://www.canr.msu.edu/news/conservation-easements-within-farm-succession-planning-recording-now-available-for-viewing-online
- Presenting MIFarmLink: Connecting Farmers to Farmland: https://www.canr.msu.edu/news/presenting-mi-farm-link-connecting-farmers-to-farmland

Non-OBBBA Tax Update on Deducting the Fertility in a Land Purchase

The cost of fertility included in land purchases can be deducted with limitations. Parameters are being developed this year, and these new IRS Regulations should be available by the end of 2026.

Here are early indications of what the fertility cost criteria will be, which will allow deductibility in the final regulations:

- Excess and available fertility will need to be documented by soil tests when the land is purchased
- Fertility availability deductions will be limited to 4-5 years of reasonable usage based on the crops to be grown
- Fertility costs will be amortized/ depreciated over 5 years

Significant Tax Updates Impacting 2026

As many of you know, in 2025 Congress passed the One Big Beautiful Bill Act, which included many changes to US Tax Law. Some of those changes did not go into effect until 2026. Several of these changes impact farms in Michigan and we have tried to include the highlights in this article.

Depreciation Changes

100% Bonus Depreciation option was brought back on essentially all depreciable agricultural purchased assets. The 40% option has been dropped and only the 100% deduction is required, unless the taxpayers opt out of Bonus Depreciation.

Section 179 Direct Expensing deduction's annual limit has been increased to $2.5 million. The maximum eligible purchase limit is $4 million, where above this amount a phase out begins.

Qualified Production Property (QPP) is an improvement to the interior of nonresidential commercial property which has a 39-year recovery period. A QPP improvement is a 15-year class-life asset and is eligible for Bonus Depreciation and Section 179. QPP includes the manufacturing, production, or refining of personal property. An example would be equipment and improvements made for the processing of grain to make them usable for planting and available for sale to others.

Other Changes impacting 2026

- 2026 Estate and Gift Tax Exemption increase to $15 million per person (essentially $30 million for a married couple). It is indexed for inflation each year after 2026.
- Standard Deduction increase is made permanent at the higher $31,500 Married Filing Joint (MFJ) and $15,750 Single and are now also indexed for inflation in 2026 and years after.
- For the years 2025 – 2028, there is an additional $6,000 deduction for each taxpayer and spouse who have reached the age of 65. This deduction may be reduced if the taxable income is over $75,000 for Single and $150,000 for MFJ.
- Child Tax Credit is increased to $2,200 per qualifying child under the age of 17. The credit will be adjusted for inflation annually. There is a refundable credit of $1,400 per child for taxpayers with low or no tax liability and $2,500 of earned income.
- Personal Vehicle loan interest (non-business) up to $10,000, is an allowed deduction on U.S. assembled vehicles.
- Meals expense deduction dropped. The meals expense deduction for the convenience of the employer is no longer allowed in 2026 and thereafter. Therefore, you can no longer deduct expenses for purchasing meals for employees.
- Overtime pay deduction is not allowed on agricultural wages because overtime pay is not required.
- Charitable Contributions can be deducted for taxpayers that are not itemizing their deductions. The limit is up to $1,000 for Single and $2,000 for MFJ of cash charitable contributions. To take the deduction, the amount of total charitable contributions must exceed 0.5% of your Adjusted Gross Income.
- Income Tax on the Capital Gain from the sale of qualified farmland can be paid in four equal installments over four years. The tax due becomes a four-year loan with the interest on the unpaid tax added for the period carried in years 2-4.
- 1099 Reporting Threshold was raised on the NEC and MISC form to $2,000 per payee. Previously the threshold was $600.