



Transferring the Farm

*Plan, Protect, and Preserve Wealth
for Farmers and Land Owners*

THACKER · SLEIGHT



Free Bridges

Supreme Court Justice Louis D. Brandeis said:

“I live in Alexandria, Virginia. Near the Supreme Court chambers is a toll bridge across the Potomac. When in a rush, I pay the dollar toll and get home early. However, I usually drive outside the downtown section of the city and cross the Potomac on a free bridge.

This bridge was placed outside the downtown Washington, D.C. area to serve a useful social service, getting drivers to drive the extra mile to help alleviate congestion during the rush hour. If I went over the toll bridge and through the barrier without paying the toll, I would be committing tax evasion...

If, however, I drive the extra mile outside the city of Washington to the free bridge, I am using a legitimate, logical, and suitable method of tax avoidance, and I am performing a useful social service by doing so.

For my tax evasion, I would be punished. For my tax avoidance, I should be commended. The tragedy of life today is that so few people even know that the free bridge exists.”

Lack of Young Farmers

The lack of young farmers threatens the survival of family farms. Younger generations are reluctant to begin farming because the capital investment required may force them into debt. Understandably, they are very hesitant to make this commitment.

As a result, today there are twice as many farmers over age 65 as there are farmers under age 35. This does not bode well for our youth and the future of rural America. The trend must be reversed.

The Farmer is Part of the Problem

The farmer who owns and farms the land is also part of the problem as they may become so engrossed in day-to-day work and operations that the farmer may ignore the fact that the farmer is getting older.

Eventually, the day may come when the farmer realizes it is difficult to keep up the pace and is forced to consider retirement. But does the farmer retire? The majority of farming assets are tied up in the farm. Profits may have been plowed back into the farm. How can the farmer retire when the major source of retirement income will be dependent on the farm operation?

Common Farm Transfer Methods

Currently, there are only four ways to transfer the farm: exchange it, gift it, sell it, or keep it until death. The first three options require that the farmer give up ownership and dispose of the land.

Keeping the farm until death without a transfer plan in place is very shortsighted because this approach usually results in a forced sale to outside interests or dividing the land among family members. Farmers who care for their land usually desire to pass their farm to an individual who will care for the soil, as did they.

There are Better Ways to Transfer

There are tax laws that, if applied properly, can provide what Justice Brandeis alluded to as the FREE BRIDGES.

Our team's approach helps farmers find these FREE BRIDGES and helps them to pass on their farm. Some of these FREE BRIDGES will increase retirement income. Other options allow the farmer to maintain ownership of the farm during their lifetime, and at death it will be transferred to a young farmer, for cash, with ZERO TAX and ZERO DEBT.

We believe that agricultural legacy must be preserved.

The Plan, Protect, and Preserve strategy was developed to help farmers pass on their legacy.

Advantages of our Planning

- Assists with preservation of retirement income;
- Keeps retiring farmers in control of the farmland;
- Provides the younger farmers with a cost-efficient means of buying the farmland and the farm business;
- Allows the retiring farmer to give something back to the community; and,
- Treats all heirs equally.

Thacker Sleight

616.888.3810 · thackersleight.com