

# Three Levels of Farm Planning

## Level I Minnesota Inheritance Tax starts

**\*Value of the farm: 1 Million and under · Example: Farm is 360 acres @ \$3,000 per acre.**

- ***Need Family Plan***

1. Who receives the farm?
2. How do I treat the other children?
3. Who will handle the estate?
4. How do I protect the farm from unexpected expenses?
5. Level at which Minnesota Inheritance tax kicks in.
6. Proper ownership becomes important.
7. Protection of assets from a nursing home stay.

## Level II Voluntary taxes start to kick in; proper planning is everything

**\*Value of the farm: 1 to 4 Million Dollars · Example: Farm is 800 acres @ \$3,000 per acre.**

- ***Need Family Plan***

- ***Need a plan in effect to eliminate Estate Tax. (Taxes at this level are voluntary).***

1. Who receives the farm?
2. How do I treat the other children?
3. Who will handle the estate?
4. Provide for unexpected expenses?
5. Protect assets from nursing home stay.
6. Proper Ownership now becomes critical.
7. Design wills/trusts that eliminate tax.

## Level III Develop a plan to pay and minimize Estate Taxes

**\*Value of the Farm: 4+ Million Dollars · Example: Farm is 1500 acres @ \$3,000 per acre.**

- ***Need Family Plan***

- ***Need proper plan to minimize the Estate Tax.***

- ***Need plan to manage the payment of Estate Taxes.***

1. Minimize Estate Tax
2. Who receives the farm?
3. How do I treat the other children?
4. Who will handle the estate?
5. Unexpected expenses?
6. Management of Tax Payments?
7. Life Insurance Wills & Trust
8. Protect assets from nursing home stay.
9. Proper Ownership is critical.