

January 2026

# THE HOUSEHOLDER BULLETIN

The Monthly Newsletter of Leut Services, P.C.

## MEET REBECKA BOOKKEEPING SPECIALIST

Please join me in extending a warm welcome to Rebecka Butz, who will join us as a Bookkeeping Specialist on January 19. Rebecka and her husband, John, live on a farm near Freeman, SD. In addition to their off-farm jobs, they help milk on her parents' dairy farm near Dolton, South Dakota, and drive tractor for their custom chopping business. In October, John and Rebecka welcomed their daughter, Lela. Previously, Rebecka worked as an online bookkeeper for QuickBooks. She will work part-time, so let us know if you would like to use her services. We recognized the need for additional support to keep our clients' records organized and reports accurately filed. We believe that Rebecka will help fill this gap and will be a fantastic addition to our team.



## A NOTE FROM YOUR Attorney

Instead of writing a New Year's Resolution, I choose a word to describe the incoming year. This word captures my motivation for the year ahead. In 2025, my chosen word was *"Momentum,"* and I think we nailed it. For 2026, my word is *"Deliberative."* Think of going from a machine gunner to a sniper pilot. A sniper pilot is an exceptionally skilled operator who uses precision from above to hit their target below. They are known for their superior accuracy and mission management. To be deliberate is to do something with intention, calculation, and purpose. For those of us who are doers, like myself, this may be a shift in how we operate. Being deliberate requires taking additional steps, asking more questions, and evaluating potential outcomes. Living deliberately may also come with sacrifices. Instead of saying "yes" to everything, you start to say no. You choose things that align with *(continued on next page)*

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# FBA RATES ANNOUNCED

On December 31, the USDA announced the per-acre payment rates for the Farmer Bridge Assistance Program. An estimated \$12 billion will be distributed to farmers, with \$11 billion allocated for row crops and \$1 billion designated for specialty crops and sugar. The farmer's payment is based on 2025 planted acres reported to the FSA office. Prevent plant acres are ineligible. Timelines for payments have yet to be established. Relevant rates are listed below:

- Corn: \$44.36
- Oats: \$81.75
- Sorghum: \$48.11
- Soybeans: \$30.88
- Sunflower: \$17.32
- Wheat: \$39.35

## Farmer Bridge Assistance Program Payment Rates



## IRS 2026 CHANGES

Here are some changes you need to know:

- Standard Deduction Increases
  - Single: \$16,100 (+\$350)
  - Married: \$32,200 (+\$700)
- IRA contribution limit: \$7,500 (+\$500)
- Permanent 20% QBI deduction
- Auto loan interest deduction, for US-assembled vehicles
- Mileage rate: 72.5¢/mile (+2.5¢)

## (Note from Your Attorney continued)

your goals, values, and vision. Deliberative individuals seek relationships and experiences that fill their cup. They use their time wisely. This month, you will start to see this deliberate approach in action. We are offering new and enhanced services designed to give our clients a competitive edge. We will offer more Seminars for Stewards and continue to host Coffee with Kiera. We are excited to add Rebecka to the team. We identified an area for improvement and are bringing forth a solution. On another note, I will be out of the office from Thursday, January 8, through Wednesday, January 14. I am attending the American Farm Bureau Convention, where I will represent South Dakota in a competition called the Discussion Meet. In this speaking contest, representatives from across the nation hold a mock committee meeting to discuss agricultural issues and propose solutions. Since November, I have been notifying my clients of this absence and the fact that I will be disconnected from work during this time. I know some of you disdainfully remember the days when your attorney wouldn't answer his phone. Please note that it will be very hard for me not to respond, but I promise not to make it a habit. 😊 I have complete faith and confidence that Daneen and Kellie will pick up the slack and take care of you while I am away. As always, **Consult Your Attorney and sniper pilot,**

*Kiera Leddy*



Tune in to Coffee with Kiera on Wednesday, January 7, at 10 a.m. Email or text Kellie if you would like the link. This month's topic: *DOT Compliance*.

## DID YOU KNOW with *Grandpa Joe*

Clark Colony was founded in 1955 and is a daughter of Jamesville Colony. Clark Colony is located near Raymond, South Dakota, in Clark County. They raise turkeys, hogs, crops, and have a successful cabinet shop: Dakotaland Woodwork & Cabinets. Clark has one daughter colony: Mayfield.



*Turkey range houses under construction.*



*Pr. Frederick Waldner of Clark Colony.*



*A crisp winter day in 2003.*



*A bird's eye view of Clark in the late 1980s.*

## NORTH DAKOTA CARBON CAPTURE

A North Dakota district court judge ruled a state law unconstitutional. The law stated that once a carbon capture project was complete, the ownership of the storage facility and the CO<sub>2</sub> within would automatically transfer to the State (government) without payment. The Court concluded this would be an unjust taking by the government because a private landowner's "pore space" property could be seized without any compensation.

## UK TO BAN FARROWING CRATES

In its recent Animal Welfare Strategy announcement, the United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA) announced its plans to phase out hog farrowing crates and CO<sub>2</sub> used for stunning hogs. Crates are used to prevent sows from rolling over and accidentally crushing their piglets. The National Pig Association (NPA), which is the British equivalent of the National Pork Producers Council, is urging DEFRA to revise the strategy. NPA estimates that 5,000 flexible farrowing places are in operation, and another 1,000 are on the way. Flexible farrowing systems do not completely eliminate crates. As for banning CO<sub>2</sub> stunning, which is used to euthanize hogs at the processing plant, the NPA says there are "no viable alternatives." The U.K. plans to implement the strategy by 2030.

# REGENERATIVE PILOT PROGRAM

In December, the USDA and the U.S. Health and Human Services announced the \$700 million Regenerative Pilot Program. This program aims to assist farmers in improving soil health, enhancing water quality, and boosting long-term productivity. The funding will be divided between the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP), both of which are established environmental stewardship programs that have received bipartisan support. About \$400 million will be allocated to EQIP, which provides cost-sharing for a single, new conservation practice. About \$300 million will be directed to CSP, which provides financial support for improving existing conservation efforts across the entire operation through annual payments. With the program announcement, it seems that the application process will be more streamlined for participants. The USDA has set January 15, 2026, as the batching deadline for EQIP, CSP, and ACEP.

## SDALT

You have likely heard of the term “conservation easement” from the show Yellowstone, but what is it? An easement is a voluntary, legally binding agreement in which a landowner grants a right to use or not use property. For a conservation easement, the use is the right to convert the property. In South Dakota, we have the South Dakota Ag Land Trust (SDALT). This farmer-led organization holds conservation easements on land kept as working agricultural land. The price of the easement depends on the likelihood of development. Land near growing cities has a greater easement value than land “in the middle of nowhere.” If you are interested in whether this easement fits your operation, contact them at [contact@sdalt.org](mailto:contact@sdalt.org).

# HELLOOO MINNESOOOTA

On Wednesday, December 17, Kiera was sworn in as an attorney in the state of Minnesota. We are excited to expand our legal services to Minnesota, but she will not be forming any daycare centers in the near future! She would like to thank her friends, family, Daneen, Kellie, and clients for all their support!



## HAWAII CLIMATE TAX

Traveling to Hawaii soon? You will likely see a new “Green Fee” added to your bill. The new tax adds 75 cents to the daily hotel room and vacation rental rate. Additionally, cruise ship bills will see an 11% tax increase. Currently, Cruise Lines International is challenging the tax in a lawsuit. The purpose of the tax is to address the impacts of climate change by using the money for erosion mitigation and restoration projects. It is expected to generate \$100 million per year.

# NONPROFIT VS. TAX-EXEMPT

By Kellie Ripp

The terms nonprofit and tax-exempt create a lot of confusion. So, let's figure it out. 😊

**"Tax-exempt"** means transactions or income at the local, state, or federal level are free from federal income tax. **"Nonprofit"** refers to a type of organization whose primary purpose is not making a profit. Tax-exempt is regulated by the federal government under the Internal Revenue Code. Nonprofit status is governed by state law. Now, we need to figure out where the line between nonprofit and tax-exempt intersects. Typically, you will see entities operate as both **nonprofit** and **tax-exempt**, like a Colony. However, not all nonprofits are tax-exempt- so *never assume* you are tax-exempt. Plus, there are more than 26 types of tax-exempt organizations. South Dakota law defines a nonprofit corporation as a corporation where no part of its income or profit is distributed to its members, directors, or officers. Therefore, the profit made must be put towards the purpose for which the organization was created; everything is reinvested into the organization. The qualifications to be a tax-exempt organization are different than nonprofit qualifications, and are often stricter. One does not automatically become a tax-exempt organization. *You must elect or apply to become tax-exempt.* The IRS recommends you apply for tax-exempt status *within 18 months* of forming your corporation. Most nonprofit organizations qualify to be tax-exempt under the Internal Revenue Code subdivision of 501(c), with the most common type being 501(c)(3). A 501(c)(3) is a tax-exempt organization typically formed for a charitable, religious, or educational purpose. Examples of 501(c)(3) organizations include churches, food banks, and the Salvation Army. People who donate money or goods to these organizations can deduct their donation from their taxable income on their tax return.

The most common type of tax-exempt organization that we work with is the 501(d). To be a 501(d) tax-exempt organization one must:

1. Be an apostolic or religious corporation or association,
2. Maintain a community or common treasury,
3. Engage in business for the benefit of its members,
4. Incorporate the members' pro rata share of the organization's taxable income for the year into the gross income as dividends received, regardless of distribution

However, being a tax-exempt organization **does not** mean that the entity is exempt from all taxes. These entities are still required to pay property taxes, sales and use taxes, payroll tax, unemployment tax, etc., unless a special exemption exists at the state level. To maintain a tax-exempt status, your nonprofit tax-exempt corporation must comply with its unique guidelines. In 2025, Leut Services filed six tax-exempt applications. If your corporation does not have tax-exempt status and qualifies for it, we will gladly assist with filing the application.

# 2025 RECAP

[Click here to watch on YouTube!](#)



## RECIPE OF THE MONTH

### BRAN MUFFINS

*A healthier option to start the New Year.*

2 cups flour  
2 cups bran  
14 tablespoons sugar  
1 1/4 teaspoons baking powder  
1 teaspoon salt  
1/4 cup molasses  
1 cup cold water  
1 tablespoon instant coffee granules  
1 cup cold milk  
1 cup vegetable oil  
2 eggs  
1 teaspoon vanilla  
1 cup raisins

Preheat oven to 350°F. Mix flour, bran, sugar, baking powder, and salt. Make a hole in the center of the mixture and add molasses, water, instant coffee granules, milk, vegetable oil, eggs, vanilla, and raisins. Let the batter sit for 4-5 hours before baking. Bake for 15-20 minutes. Recipe from *Brentwood Colony Cookbook*

## EVENTS & ACTIVITIES

Jan. 6 // Epiphany (Shoffice Closed)  
Jan. 7 // Coffee w/ Kiera  
Jan. 8-14 // Kiera Out of Office  
Jan. 14-15 // SD Pork Congress  
Jan. 21-22 // IA Pork Congress  
Feb. 10 // Coffee w/ Kiera  
Feb. 21 // Legislative Cracker Barrel (Shoffice)  
March 19 // Seminar for Stewards

## CONTACT US

**Kiera Leddy, Attorney**

[kleddy@leutservicespc.com](mailto:kleddy@leutservicespc.com)  
605-924-0271

**Daneen Petty, Legal Assistant & Compliance Manager**

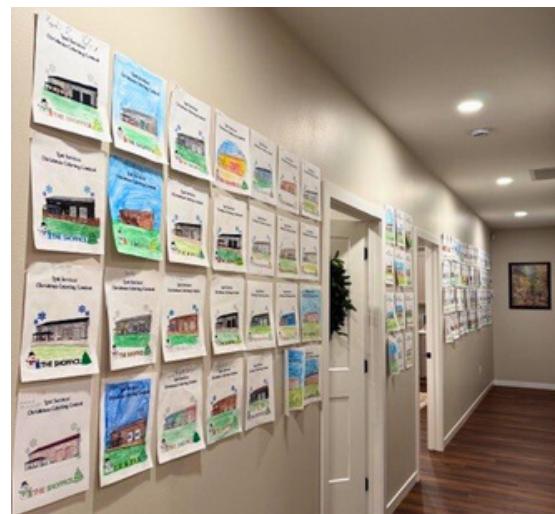
[dpetty@leutservicespc.com](mailto:dpetty@leutservicespc.com)  
702-277-3401

**Kellie Ripp, Legal Assistant & Client Coordinator**

[kripp@leutservicespc.com](mailto:kripp@leutservicespc.com)  
605-656-8344

## COLORING CONTEST RESULTS

Our coloring contest was a success! With more than 100 participants, each entry brought Christmas cheer into our office. Given the impressive turnout, we opted to hold a drawing since each colored page was unique in its own way. Our winner is Kayah Hofer from Tschetter Colony. Kayah is 8 years old, and her parents are Samuel and Ranee Hofer. Additionally, we want to recognize Spring Prairie Colony for submitting the most entries at 26.



*Kayah R. Hofer*  
**Leut Services**  
**Christmas Coloring Contest**



# Legislative CRACKER BARREL

February 21 | 10am - 11:30am

713 S. Main Street, Dimock, SD 57331

**Join us to hear from District 19 legislators  
about the latest bills in Pierre and discuss  
various other issues.**

***Coffee & Hutterite Colony donuts provided***

*sponsored by*



**RSVP by February 13 to Kellie 605-656-8344  
call or text**