

Agritourism tax credit takes sting out of liability insurance cost

By KAY SHIPMAN
FarmWeek

For the first time, Illinois agritourism businesses may apply for a liability insurance tax credit. Feb. 28 is the application deadline for 2022 taxes.

Illinois is offering the tax credit because it doesn't offer limited liability insurance to agritourism operations and wants to help farmers and families grow these agribusinesses, said Hannah McGee, a grant administrator with Illinois Department of Agriculture's Bureau of Marketing, Promotion and Grants.

Eligible agritourism businesses may apply to receive a tax credit for 100% of their liability insurance premiums up to \$1,000.

By Jan. 25, McGee said she had approved 40 applicants that will receive roughly \$33,000 in tax credit for 2022 and certified another five applicants that will receive about \$4,000 in tax credit for 2023 taxes. She wasn't certain how many agritourism businesses may apply for the insurance credit this year.

"We're wanting to spread the word," she said.

McGee outlined three criteria that determine eligibility for the liability insurance tax credit.

- An agritourism business must be in Illinois and file Illinois income taxes. For those that also operate in a bordering state, the other state would not accept an Illinois tax credit, she noted.

- The agritourism business must be operated on an agricultural property. McGee used an example of a business offering horse carriage rides. If a business offers rides only as wedding rentals, parades or town tours, that operation would not be considered an agritourism business. However, one that offers carriage rides on a farm would be considered an agritourism operation.

- A farm must offer agritourism activities to qualify. For example, a farm that grows pumpkins must also offer a tourism activity, such as a u-pick option, corn maze or some educational activity.

McGee added the state law also specifies activities that are not considered agritourism. Those include hunting, fishing, amusement rides, rodeos, hiking and off-road

motor vehicles and their related activities.

To apply online for the agritourism liability tax credit, visit illinoisagritourismcredit.com. Applicants will find a variety of information, including definitions and qualified activities.

To complete an online application, click on the icon on the bottom of the page. To receive a paper application, call 217-785-5710.

Applicants need to supply their tax identification or employer identification number (EIN). If a Social Security number is requested, McGee said an applicant needs to submit only the last four digits.

Applicants must specify which tax form they will use to file their Illinois income taxes and know about the liability insurance they pay. They must choose from a list of options the type of agritourism business they operate.

Applicants must upload proof of their liability insurance policy and proof they

have made payments or paid their liability insurance.

Applications are processed within a week of being received. Approved applications receive an email certification and a paper copy in the mail.

Application questions may be emailed directly to agr.agritourismtax@illinois.gov.

As for this year's state taxes, "the Illinois Department of Revenue (IDOR) is aware of the certificate and knows when they come in, it is to be expected," McGee said. "If any issues happen (when agritourism businesses) file and they get IDOR questions, the Illinois Department of Agriculture is working with IDOR." She recommended referring IDOR questions to agr.agritourismtax@illinois.gov.

This story was distributed through a cooperative project between Illinois Farm Bureau and the Illinois Press Association. For more food and farming news, visit FarmWeekNow.com.

Impending Medicaid changes could leave hundreds of thousands uninsured Pandemic-era program will expire on March 31, sparking redeterminations

By PETER HANCOCK
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SPRINGFIELD - As many as 700,000 Illinoisans may lose Medicaid coverage in the months following March 31, but the Department of Healthcare and Family Services says it is working to reduce that number and help those affected find health insurance elsewhere.

Medicaid is a health insurance program for poor and disabled people that is jointly funded by the federal government and the states.

A spending bill that Congress passed in December put an end to a pandemic-era rule that sent billions of additional federal dollars to states that kept Medicaid patients continuously enrolled in the program through the end of the public health emergency.

Under the program that will expire on March 31, those enrolled in Medicaid did not have to go through the normal process of reapplying every 12 months to determine whether they were eligible, even if there were changes in their income or household that would normally make them ineligible.

Because that law separated the Medicaid rules from other emergency actions, the program will end sooner than the May 11 date on which both the White House and Gov. JB Pritzker plan to end their emergency declarations.

The change means many who have been receiving continuous Medicaid coverage throughout the pandemic will have to reapply for benefits, potentially leading to loss of coverage if the individual would no longer qualify for benefits or if they fail

to complete a reapplication.

Nationwide, the federal government estimates that 15 million people, or 17.4 percent of Medicaid and Children's Health Insurance Program enrollees, will lose their coverage as a result of ending the continuous enrollment program. That would translate to roughly 700,000 people in Illinois if it follows the national pattern, but DHFS officials believe they can mitigate the impact of the rule change.

The department also noted that those individuals will be subject to redetermination over a staggered timeline over the next 12 months, not all at once when the program ends.

"At the state level, we estimate a total of roughly 384,000 will lose coverage because we believe in doing everything we can to help eligible Medicaid customers keep their benefits," DHFS spokesperson Jamie Munks said in an email. "The truth is, nobody knows for sure. What we do know is that we are committed to ensuring everyone who is eligible maintains their coverage, and that those who are not are given information about alternative coverage."

To avoid losing coverage, DHFS strongly urges Medicaid enrollees to fill out their renewal forms as soon as possible. The agency will resume regular verifications starting in late April, and people with a June renewal date will be the first ones to go through the restarted process. Those people will need to submit their renewal forms before June 1 so they can maintain coverage without disruption.

Munks said Illinois has been preparing for the even-

tual end of continuous coverage for months and has been communicating with Medicaid beneficiaries about the importance of updating their contact information on file with the Medicaid program.

"The state has and continues to increase customer service staff and enhance our systems," she said.

Munks said customers can complete their renewal by phone, although online is the preferred method.

The agency will try to reach affected individuals by mail, email, text messaging, phone calls and paid advertising, she said. It will also work with partner providers, advocacy organizations, nonprofits and other government entities, she added.

Munks said people who are found to be ineligible may still have other options for low-cost insurance, including individual plans sold through the Affordable Care Act marketplace, which operates in Illinois under the name Get Covered Illinois. People who meet certain income guidelines can receive tax credits to pay all or part of their premiums.

Who is most affected?

DHFS says that Illinois' Medicaid enrollment grew by about 1 million enrollees during that period, to 3.9 million. But the state also received an additional \$3 billion in federal funding through the enhanced matching rate.

The U.S. Department of Health and Human Services estimates that when the continuous enrollment program ends, about 9.5 percent of Medicaid enrollees nation-

wide, or 8.2 million people, will lose coverage because they are no longer eligible. The most common reasons for losing eligibility are changes in income or household make-up or moving out of the state in which they were covered.

But another 7.9 percent, or 6.8 million people, will lose coverage despite still being eligible for Medicaid because they don't complete their applications properly or the state is somehow unable to process the application - a process called "administrative churning."

Children and young adults, ages 18-34, make up the largest categories of people expected to lose coverage. The change is also expected to disproportionately affect the Latino community, which makes up one quarter of those predicted to be ineligible and one-third of those expected to experience churning.

Black individuals make up 14 percent of those expected to lose Medicaid eligibility and 15 percent of those expected to experience churning.

Editor's note: The headline and parts of this story have been updated to clarify that redeterminations will occur on a staggered timeline, not all at once when the pandemic-era program ends on March 31.

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