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Here's the Tax Beat broadcast for January 1

Subject line: End of an Era?

Last month, Peacock aired the series finale of their monster hit *Yellowstone*. (One big spoiler to come!) For five and a half seasons, the show chronicled the ups and downs of the Dutton family, heirs to the largest contiguous ranch in the United States, as they fought to defend their land. On one side, greedy developers conspired to turn it into the next Park City. On the other, the neighboring Broken Rock tribe wanted to reclaim their ancestral home. Real Montana ranchers say the show is remarkably true-to-life, especially the gunfights, beatings, explosions, and occasional "long black train" to the back of the head.

Yellowstone had everything you'd expect in a classic western. There was Kevin Costner, playing patriarch John Dutton, riding through stunning mountain scenery. There were comic side plots following the wranglers living in the bunkhouse, which usually wound up with someone bleeding on the floor. (Mamas, don't let your babies grow up to be cowboys.) There was a terrific soundtrack, full of edgy, energetic country music and lonesome cowboy ballads.

And *Yellowstone* offered something new for Western fans — plotlines that turn on taxes. The Dutton property is bigger than Rhode Island, worth countless billions. (In one episode, the aforementioned greedy developers offered half a billion to turn a 50,000-acre slice — representing less than 10% of the total area — into an international airport.) But the ranch doesn't turn a profit, leaving the Duttons land-rich but cash poor. That promised there would be yet another crisis at patriarch John's death, when his estate would owe a tax of 40% on anything above \$14 million.

In the real world, ranch heirs can claim special-use valuation discounts and defer taxes for up to 14 years. And Montana law offers discounts on agricultural parcels larger than 160 acres. But nobody wants those sorts of pesky technical details to get in the way of a good story — so let's just assume there was no way the family could come up with enough cash to cover the tax.

The second half of Season Five solved that problem. It started off with a literal bang — the gunshot John Dutton allegedly fired into his own head on the bathroom floor of the Governor's mansion. No one who knew John Dutton (or even followed the series since it debuted in 2018) believed it was really suicide, and most of the final episodes deal with finding the real killer. But we also learned the estate tax bill would be \$1.5 billion, which would represent somewhere between 5-10% of the entire federal estate tax haul for the year.

You're just going to have to watch yourself to see how John's children, Kayce and Beth, solved *that* problem. No nitpicking here over whether it would really work!

Yellowstone fans need not worry that the saga is over. Creator Taylor Sheridan has spawned more spinoffs than the Kardashians. There are two origin stories (1883 and 1923), with a third on the way (1944). There's another spinoff centered on Texas's legendary 6666 ranch, which Sheridan actually bought with some of his earnings from the mother ship. Fan favorites Beth and Rip get to continue their story. And Michelle Pfeiffer will headline yet another spinoff, *The Madison*, which follow a New York family's move to Montana's Madison Valley.

We realize your tax problems don't include dodging bullets and fists on your way to a 10-figure tax bill. But 2025 promises to be full of tax drama, anyway. If Congress can't extend the Tax Cuts and Jobs Act of 2017, *your* taxes are probably on the rise! So stick with us throughout the year for more real world tax drama – with no commercial interruption!

Kevin

