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TAX PREPARATION, ACCOUNTING, PAYROLL,
SMALL BUSINESS CONSULTING
AND WEALTH MANAGEMENT

Farming Checklist

1 - Basic Information

Principal crop or activity: _____

Employer ID # (EIN) if any _____

2 - Farm Income

_____ 1) Sale of livestock and other items you bought for resale.

(_____) 2) Subtract the cost or other basis of livestock and other items reported on line 1 (only if not expensed in a previous year)

_____ Total of 1) minus 2)

_____ 3) Sale of livestock, produce, grain and other products you raised.

_____ 4) Agriculture program payments from cooperatives (Forms 1099-PATR).

- Patronage dividends
- Nonpatronage distributions
- Per-unit retained allocations
- Redemption of nonqualified notices and retained allocations.
- Do not include patronage dividends from buying personal items, family items, capital assets or depreciable assets.
- PLEASE NOTE ANY FEDERAL INCOME TAX WITHHELD

_____ 5) Agriculture program payments (1099-G, CCC-1099-G (Dept. of Ag.))

- Direct payments
- Counter-cyclical payments
- Price support payments
- Mkt gain from repayment of CCC loan for less than the original loan amt.
- Diversion payments
- Cost-share payments
- Payments in the form of materials i.e. fertilizers, lime
- Payments in the form of services i.e. grading, dam building

_____ 6) Commodity Credit Corp (CCC) loans reported under election. *Enter amount directly.*

- Generally you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you may elect to report the loan proceeds as income in the year you receive them, instead of the year you sell the crop.

_____ 7) CCC loans forfeited. This amount may be reported to you on Form 1099-A.

_____ 8) Crop insurance proceeds and certain disaster payments.

- In general, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds.
- If the damage occurred during the current taxable year, you may elect to have certain proceeds as income in the next taxable year.
- Generally, if you elect to defer any eligible crop insurance proceeds, you must defer all such proceeds (including federal disaster payments).

_____ 9) Custom Hire (machine work) income

2 - Farm Income (Continued)

10) Other income, including federal and state gasoline or fuel tax credit or refund. *Enter amount directly.*

- Bartering income
- Discharge of indebtedness (if a federal agency & \$600 or more you should receive a 1099• C). Some canceled debt may be excluded from income.
- State gasoline or fuel tax refund
- Credit for Federal tax paid on fuels (claimed on prev. year tax return)
- Credit for alcohol and cellulosic biofuel fuels that was claimed on Form 6478
- The amount of credit for biodiesel and renewable diesel fuels that was claimed on Form 8864.
- Recapture of excess depreciation including sec. 179 (use form 4797)
- The gain or loss on the sale of commodity future contracts if the contracts were made to protect you from price changes
- Any income from breeding fees, or fees from renting machinery, land etc.

11) Total Gross Income (add lines 1 - 10)

3 - Farm Expenses

Do not include:

- Personal or living expense (such as taxes, insurance, or repairs on your home) that do not produce income
- Expenses of raising anything you or your family used
- The value of animals you raised that died
- Inventory losses
- Personal losses
- If you were repaid for an expense, you must subtract the repayment from the deduction
- Any income from breeding fees, or fees from renting machinery, land etc.

12) Car and Truck Expense:

- You can deduct the actual cost of running the vehicle, or take the standard mileage rate.
- If you deduct actual cost, depreciation is calculated and prorated by business use % on Form 4562

	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4
Total Miles Driven During Tax Year:	_____	_____	_____	_____
Business Miles Included Above:	_____	_____	_____	_____
Parking Fees and Tolls:	_____	_____	_____	_____
Interest on Vehicle Loan:	_____	_____	_____	_____

Actual Vehicle Expense: If standard mileage rate is used, you do not need to complete the actual vehicle expense section below

	Vehicle 1	Vehicle 2	Vehicle 3	Vehicle 4
Vehicle Cost	_____	_____	_____	_____
Date Placed in Service	_____	_____	_____	_____
Gasoline	_____	_____	_____	_____
Oil	_____	_____	_____	_____
Repairs	_____	_____	_____	_____
Vehicle Insurance	_____	_____	_____	_____
Other	_____	_____	_____	_____

13) Chemicals

14) Conservation expense

- Generally are those expenses paid to conserve soil and water or to prevent erosion of land used for farming. These expenses include (but are not limited to) leveling, grading, terracing, contour furrowing, construction-control-protection of diversion channels, drainage ditches, earthen dams, watercourses, outlets and ponds, the eradication of brush, and the planting of windbreaks.

3 - Farm Expenses (continued)

15) Custom Hire (machine work) expense

- Enter amounts paid for custom hire or machine work (the machine operator furnished equipment). Do not include amounts paid for rental or lease of equipment you operated yourself - enter these amounts on line 26.

16) Depreciation expense

- I will figure this based on equipment and buildings placed in service. List assets on page 4.

17) Employee benefit programs other than on line 25

- Examples are accident and health plans, group-term life insurance and dependent care assistance programs.

18) Feed Purchase

19) Fertilizers and Lime

20) Freight and Trucking

21) Gasoline, fuel and oil

- Vehicles are reported above

22) Insurance (other than health)

- For farm related insurance

23a) Mortgage interest paid to banks etc.

- For farm related expenses

23b) Other Interest

24) Labor hired (less employment credits)

- Enter the amounts paid for farm labor (don't include amounts paid for yourself)
- Count the cost of boarding farm labor but not the value of any products they used from the farm
- Count only what you paid household help to care for farm laborers
- If you provided taxable fringe benefits to our employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere

25) Pension and profit sharing plans

- Enter your deduction for contributions to employee pension, profit-sharing, or annuity plans

26a) Rent or lease of machinery and equipment

26b) Rent other (land, animals, etc.)

27) Repairs and maintenance

- You can also include what you paid for tools of a short life or minimal cost such as shovels

28) Seeds and plants purchased

29) Storage and warehousing

30) Supplies purchased

31) Taxes

- Includes real estate and personal property taxes on farm business assets
- Social security and medicare taxes you paid to match what are required to withhold from a farm employees' wages and any Federal unemployment tax paid
- Federal highway use tax
- DO NOT INCLUDE:
 - Federal income tax
 - Estate and gift tax
 - Taxes on improvements, such as paving and sewers
 - Taxes on home or personal property
 - Other non-farm taxes

32) Utilities

- Gas, electricity, water etc. for farm use (don't include personal)
- You cannot deduct the base rate (including taxes) of the first telephone line into your residence

3 - Farm Expenses *(continued)*

_____ **33) Veterinary, breeding, and medicine**

_____ **34) Other (specify)**

- Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F. Do not include any fines or penalties paid to a government for violating any law. A few examples:

_____ Office Supplies

_____ Advertising

_____ Legal and Professional (tax preparation and legal advice)

_____ Travel (hotels and airfare related to business). Don't include gas or mileage, that is figured above

_____ Meals (meals while traveling away overnight for business, meals for client meetings)

4 - Equipment and Buildings

Description	Date placed into service	Cost	Business Use %	Notes
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____
7.	_____	_____	_____	_____
8.	_____	_____	_____	_____
9.	_____	_____	_____	_____
10.	_____	_____	_____	_____
11.	_____	_____	_____	_____
12.	_____	_____	_____	_____
13.	_____	_____	_____	_____
14.	_____	_____	_____	_____
15.	_____	_____	_____	_____