

2011 FARM INCOME AND RECEIPTS SUMMARY

Name: _____

	Sale proceeds of purchased cattle.....	_____
	Less cost of cattle sold	(_____)
	Net amount for purchased cattle.....	_____
	Sale proceeds of purchased swine.....	_____
	Less cost of swine sold.....	(_____)
	Net amount for purchased swine.....	_____
	Sale proceeds of purchased grain.....	_____
	Less cost of grain sold.....	(_____)
	Net amount for purchased grain.....	_____
	Total net amount of resale items.....	_____
	Raised cattle and calves.....	_____
	Raised swine.....	_____
	Corn.....	_____
	Soybeans.....	_____
	Dairy.....	_____
	Other raised products.....	_____
	Total sales of raised products.....	_____
Total coop distributions.....	_____	Taxable coop distributions.....
Total Ag program payments.....	_____	Taxable Ag program payments.....
		CCC loans taxable as income.....
CCC loans forfeited.....	_____	Taxable amount.....
2011 Crop insurance proceeds.....	_____	Taxable amount.....
		2010 crop insurance carryover.....
		Machine work.....
		Pasture and stalk rent.....
		Federal and state gasoline tax.....
		Expense refunds, other income.....
		Other.....
		TOTAL GROSS INCOME.....

Equipment and Breeding Stock sold:

<u>Description</u>	<u>Amount</u>
_____	_____
_____	_____
_____	_____

2011 FARM EXPENSE SUMMARY

Name: _____

Car expense.....	_____	Pension and profit sharing.....	_____
Pickup expense.....	_____	Rent: Machinery and equipment.....	_____
Truck expense.....	_____	Rent: Land, animals, etc.....	_____
Chemicals.....	_____	Repairs, maintenance.....	_____
Conservation expenses.....	_____	Seeds & plants purchased.....	_____
Custom hire (machine work).....	_____	Storage and warehousing.....	_____
Depreciation.....	_____	Supplies purchased.....	_____
Employee health insurance.....	_____	Taxes.....	_____
Feed purchased.....	_____	Telephone.....	_____
Fertilizers and lime.....	_____	Utilities.....	_____
Freight, trucking.....	_____	Veterinary fees, medicine.....	_____
Gasoline, fuel, oil.....	_____	Bank charges.....	_____
Insurance.....	_____	Contract labor.....	_____
Mortgage interest (1098 form required)....	_____	Dues and subscriptions.....	_____
Other interest.....	_____	Business meals.....	_____
Labor hired (W-2 wages paid).....	_____	Hired labor meals.....	_____
		Office expense.....	_____
		Professional services.....	_____
		Deficiency repayment.....	_____
		Other expenses.....	_____
		_____
		_____
		_____
		TOTAL EXPENSES.....	_____
		NET INCOME.....	=====

FARM INFORMATION

LISTED PROPERTY INFORMATION

Farm income and expense can be obtained from your books of account or your summarization of those activities. In addition, your substantiation of business use of listed property (i.e. automobiles, pickups, ATV's computer, etc.) will be required or can be summarized below. If you desire to use the farm method (75%) for pickups used regularly in the business of farming, please so state.

Do you have evidence to support the business use? Yes____ No____ Is the evidence written? Yes____ No____
Use the farm method (75%) for pickup Yes____ No____

<u>Vehicle Description</u>	<u>Business miles</u>	<u>Personal Miles</u>	<u>Total Miles</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
<u>Other Listed Property Description</u>	<u>Business Use %</u>	<u>Personal Use %</u>	
_____	_____	_____	
_____	_____	_____	

OPTION and FUTURES CONTRACT INFORMATION

All option or futures contracts should be noted as hedging or speculation transactions. Hedging transactions are reported as normal farm income and are subject to income tax and self-employment tax. Speculation transactions are reported as capital gain or losses and are only subject to income tax. Speculation contracts are marked to market at December 31 with the resulting gain or loss reported to you on 1099B. Hedging contracts are generally entered into when the commodity hedged is on hand.

<u>Nature of transaction</u>	<u>Date of Purchase</u>	<u>Cost</u>	<u>Date of Sale</u>	<u>Sales Proceeds</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

INVENTORY

Schedule of purchased livestock, grain or other items held for resale which are on hand at year end:

<u>Quantity</u>	<u>Type</u>	<u>Purchase Price</u>
_____	_____	_____
_____	_____	_____

EQUIPMENT PURCHASED

(Please provide copies of invoices for all equipment items purchased/traded)

<u>Date</u>	<u>Item Purchased</u>	<u>Item Traded In</u>	<u>Cash Paid</u>	<u>Amount of contract Or Deferred Payment</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

OTHER INFORMATION

Loan interest not paid during the year but rolled into loan principal.....\$ _____

Farmers requesting a fuels tax refund for 2011 will need to provide copies of invoices for refund fuel purchased during 2011. Logs showing exempt withdrawals from bulk storage tanks used for licensed vehicles will also need to be provided.

<u>Equipment or engines using gasoline, gasohol</u>	<u>Type of fuel used</u>	<u>Make & Model</u>	<u>Year</u>	<u>Horsepower</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

FARM INFORMATION

PLANNING OPPORTUNITIES

- All machinery or equipment, including grain bins, fences, irrigation systems and other land improvements, which are used in a farming business are treated as 7 year property.
- The IRS has procedures by which a taxpayer may obtain automatic consent to change the method of accounting for loans received from the Commodity Credit Corporation from including the loan amount in gross income for the taxable year in which the loan is received, to treating the loan amount as a loan. An application for a change effective January 1, 2011 would be filed with your 2011 tax return and all CCC loans received in 2011 would be treated as loans.
- Consider paying family members for services performed for the farming operations. If payment for services is made in commodities, be sure the commodity is transferred to the employee and not just the money. An employment agreement form is available on our website for a commodity wage. Click on the **Forms** section and then click **In-Kind Payment Agreement**. W-2 forms are required for all wage payments, cash or commodities.
- Crop insurance and disaster payments may be deferred if the normal practice is to defer the sale of more than 50% of the crop to the subsequent year, however, if the election is made, all eligible receipts must be deferred.
- If records are not maintained for farm use of pickups regularly used in the farm business, consider electing the 75% safe harbor method.
- Medical insurance premiums paid for employees, including family members qualifying for employer paid health benefits, are deductible as farm expense.
- Farm income averaging is available for those having farm income during the current year. It is generally beneficial if this year's taxable income is greater than that of the three prior years.
- Meals served on the farm premises to employees for business purposes are deductible, documentation is required.
- If your itemized deductions do not exceed the standard deduction (\$11,600 for married joint returns; \$5,800 single), consider giving charitable gifts in commodities. For more information, click on the **Info Center** section of our website and then click **Farmer's Gift of Commodity**.
- Credit card purchases are deductible in the year of purchase for cash basis taxpayers.
- The domestic production activities deduction continues to be available for 2011. Accounting systems must reflect production activity income and related expenses separate from non-qualifying income. This deduction is 9% of the lower of qualified farming income or adjusted gross income and cannot exceed 50% of cash wages paid in the farming business.

PREPAID EXPENSES

Prepaid expenses for input items such as seed, chemicals, fertilizer and supplies for use in your 2012 farming operation are deductible in 2011 to the extent of 50% of your 2011 total farming expenses. Prepaid expenses for rent, insurance and interest are not deductible until the year in which the payee earns them. Likewise, expenses incurred this year for prepaid items and sold next year to a landlord, relative or neighbor are considered items purchased for resale and are not deductible until the year they are disposed of.

OTHER FARM RETURN DUE DATES

W-2 and annual payroll tax reporting (including wages paid in grain or livestock)	January 31, 2012
1099 and information return reporting (including payments to one individual in excess of \$600 for machine hire or contract labor, rent and/or interest)	February 29, 2012
Personal Property tax return	May 1, 2012
