

Farm Income Tax Return Summary

Is your farm profitable? This simple worksheet will help answer that question in the absence of a good farm business analysis history. Any individual year's taxable income can be influenced by pre-paying expenses, rapidly expensing capital purchases or deferring income to minimize income tax liabilities. Looking at 5 years of tax data can give a clearer picture of the farm's ability to generate income by averaging out these influences.

	2011	2012	2013	2014	2015	5 year Average
Income						
1040F	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
+ Section 4797	_____	_____	_____	_____	_____	_____
Total Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Expenses						
- 1040F ¹	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
Net Farm Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
+Schedule F depreciation	_____	_____	_____	_____	_____	_____
Cash Available²	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

¹ All Schedule 1040F expenses.

² Cash Available = Net farm income + depreciation. These are the dollars from which the farm business must make principal payments, reinvest in the business and cover family living expenses (sole proprietorships), retirement investments and pay income taxes.