

Attach original documents behind each sheet and fill in summarized information in the spaces provided.

Who should use this tax organizer? This organizer is designed for farmers and ranchers, but other small business owners may also find it helpful. It is a tool is for people who:

- want to understand more about what records to keep and how income taxes are calculated;
- want to keep their bill for tax preparation services low;
- want to use tax preparation software but are not totally confident the software will do a good job on a farm or ranch business;
- want help organizing their tax information,;
- are not sure if they want to use a tax preparer or tax preparation software.

How should this tax organizer be used? First, use it to get all of your information organized. Then either use it to complete your tax using tax preparation software, or give it to a professional tax preparer. This organizer guides you through the process of gathering data. It explains generally how the data is used to calculate your tax liability. Once you have all of your data, you will also need the assistance of a tax preparer, or tax preparation software, or hours (maybe days or weeks) of detailed study of the IRS forms and instructions, to prepare a complete and accurate tax return.

Why add the extra step? If you answer all the questions in this organizer and make sure all the information recorded here is transferred to your tax software or addressed by your tax preparer, you will end up with a complete return. The tax preparation software alone may not direct you to all of the things that are specific to farm or ranch businesses. A tax professional may not be expert in farm or ranch accounting or may not be familiar with a farm or ranch like yours. This organizer will help you to get the most out of either tax preparation software or the services of a tax preparer.

What if I just have receipts but have not done any bookkeeping? This organizer will help you to organize your information for this year, and it will also help you to understand what records you will need to keep in the future.

A. General Information

1. Complete copies of up to three years of prior year income tax returns, federal and state, with all schedules and attachments.

Why? A tax preparer will enter your prior year returns into their computer program to set up your data for the current year. In doing so they may find errors. If you give them up to three years tax returns they can look for patterns and errors. You may amend your tax returns by filing 1040X within 3 years of the date your return was timely filed (the original or extended due date) or within 2 years after the date you paid the tax, whichever is later.

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Attach original documents behind each sheet and fill in summarized information in the spaces provided.

2. Name, address and social security number of taxpayer (and spouse if married).

	Name	Address	Social Security Number	Birthday including year
Spouse #1:				
Spouse #2:				

3. Name, social security number and birthday of children under the age of 19 who live at home.

Name	Address	Social Security Number	Birthday including year

4. Name, address, social security number and birthday of children under the age of 24 who are full time students at an accredited institution of higher education and do not live at home.

Name	Address	Social Security Number	Birthday including year

5. Name, social security number and birthday of any other blood relative who lives in your home and received substantial support from you.

Name	Address	Social Security Number	Birthday including year

6. Do you generally receive an Earned Income Credit Refund?

Yes	No
-----	----

a. Do you expect to receive an Earned Income Credit Refund this year?

Yes	No
-----	----

b. Do you understand how a net profit or loss from farming activity would affect the calculation of the Earned Income Credit?

Yes	No
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Income Tax Organizer for Individuals
Attach original documents behind each sheet and fill in
summarized information in the spaces provided.

Notes and Questions:

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B. Income other than self-employment income ranching and farming – attach here:

1. All forms W- 2s from jobs held during the year. Number attached _____
2. All form 1099 showing income earned during the year, **not related to farming and ranching**, including interest on savings (1099-INT), dividends (1099-DIV), sale of stock (1099-B), government payments such as unemployment insurance (1099-G), and pensions (1099-R). Number attached _____

Why? Any payment reported to you on a Form 1099 is simultaneously reported to the IRS. The IRS will match the income you report on your tax return to the income reported to them, by others, using Form 1099.

3. Forms W-3, gambling and lottery winnings. Number attached _____
4. Any forms K-1 received by either spouse from any trusts, partnerships or S-corps. Number attached _____

Note: If you farm or ranch as a partnership, LLC or S-corp then the farm/ranch will file its own tax return (but not pay any taxes) and report your share of income and deductions to you on a form K-1. You will use the K-1 to report your share of the business income and deduction on your personal tax return. Your income and deductions from forms K-1, together with all of your other personal information will determine the amount of tax you owe. As you work through this tax organizer you will understand why even though you and a business partner may have identical amounts reported on your forms K-1 you might end up owing very different amounts of taxes.

5. Alimony RECEIVED. (Put alimony paid on page at section F.) _____

For more information about alimony see IRS Publication 504
<http://www.irs.gov/taxtopics/tc452.html>

6. Rent received for renting a part of your residence _____
7. Rent received for renting farm or pasture _____
8. Rent received from renting another property you own _____
9. Information about rental property:
 - a. address of the property _____
 - b. mortgage interest paid (attach form 1098) _____
 - c. property taxes paid _____
 - d. insurance paid _____
 - e. maintenance and repairs _____
 - f. for property purchased this year attach a copy of the purchase mortgage _____

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g. for property previously purchased enter:

asset acquired date	asset purchase price	depreciation taken to date

Add additional sheet if necessary.

Notes and Questions:

C. Saving for Retirement or Education

Do you want to save money for your retirement? You may be able to deduct some of your savings to lower your taxable income, exclude future interest earned from taxable income, and in some cases you may receive a credit towards taxes owed.

IRA and Roth IRA - Annual contributions are limited to the smaller of either your taxable compensation for the year or amounts set by year. For 2013 the limits are \$5,500 for each spouse (or \$6,500 for a spouse over the age of 50). The money you save in an IRA account is a deduction from your taxable income, which results in less income tax. Money saved in a Roth IRA does not create the same current tax savings as a regular IRA; instead the tax benefits of a Roth IRA come later, when you withdraw your savings.

For more information see IRS Publication 590 <http://www.irs.gov/publications/p590/index.html>

In addition to the deduction from taxable income, certain taxpayers can also benefit from the “Saver’s Credit.” If you do not have more than \$60,000 of adjusted gross income on a joint return, or more than \$45,000 for a head of household, or more than \$30,000 if filing single, you may also qualify for the Saver’s Credit, which is 10% to 50% of your retirement contribution.

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For more information about saving for retirement see: <http://www.irs.gov/Retirement-Plans/Plan-Participant,-Employee/Retirement-Topics-Retirement-Savings-Contributions-Credit-%28Saver%E2%80%99s-Credit%2>

For more information about saving for education see IRS Publication 970 <http://www.irs.gov/taxtopics/tc310.html>

Have you made an IRA contribution this year?

Spouse #1 amount contributed _____ amount planned/desired to contribute _____

Spouse #2 amount contributed _____ amount planned/desired to contribute _____

Notes and Questions:

D. Self-Employment Income and Expense

Non-Farm Business

There is no separate section of this organizer for a non-farm business. If either spouse has non-farm business in addition to the farm business, simply copy all the pages of Section D of this organizer and complete them for the non-farm business ignoring the lines that are clearly for farm/ranch related items.

For more information about non-farm business see IRS Schedule C and Instructions <http://www.irs.gov/uac/Schedule-C-%28Form-1040%29,-Profit-or-Loss-From-Business>

Enter a brief description of the business here:

Which Spouse has the business?
Describe the business:

Farm or Ranch Business

1. Describe your business. What do you raise? When do you plant or breed? When and where do you sell? Do you pay commissions, broker fees, etc. when you sell your products? What are your biggest expenses? Do you ever buy livestock or farm products to re-sell to others? What are your biggest problems or worries?

2. Within the next five years, would you consider asking for a business loan to help grow your business?

Yes	No
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Why? If you apply for a loan your tax returns will help to establish your ability to make loan payments.

3. Do you have a plan for how to make your business more profitable?

Yes	No
-----	----

- a. Is it in writing?

Yes	No
-----	----

- b. Do you understand why you need to have a written marketing plan if your business is losing money?

Yes	No
-----	----

Why? If you lose money on a business in three out of five years, then in the event of an audit the burden of proof shifts – instead of the IRS having to prove that you did not intend to make a profit you will have to prove that you did intend to make a profit. In order to do this, you will need to be able to show evidence of how you went about your business

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development in a reasonable way. You are not required to be successful; you are required to make ordinary efforts to be successful.

For more information see Internal Revenue Code Section 183 and <http://www.irs.gov/uac/Is-Your-Hobby-a-For-Profit-Endeavor%3F>

A note about recordkeeping: Sales at a Farmer's Market will usually be recorded as an amount per day. Sales to individuals for CSA shares or to a wholesaler or restaurant should be individually invoiced and recorded. You will normally receive a receipt for sales at auction (of livestock) so you can record auction sales. If you purchase produce from a neighbor to supplement a CSA box, or if you purchase livestock for immediate resale, the proceeds from those transactions should be recorded separately.

If you are behind on your recordkeeping, it may help to look at your calendar and your bank account to help remind you of the details of the transactions. You should be able to account for every amount deposited. Realize that not all deposits are sales; some may be owners depositing cash to the business or the proceeds of a loan, or other sources of cash that are not sales. Be careful that you do not over or under-report your farm/ranch sales. The best practice is to keep good records as you go!

4. Income received for the sale of crops or livestock you raised _____
- a. Income received for sale of livestock purchased during the year _____
(Do not include the sale of breeding or milking stock here, see item #7 below.)
- b. Amount paid for livestock purchased and sold in the same year _____

Note: You have several options for accounting for livestock. See IRS Publication 225, The Farmer's Tax Guide.

5. Other earned income:
- a. Custom hire income _____
- b. Government payments (attach from 1099-G) _____ number attached _____

For more information on farm and ranch income see IRS Publication 225 The Farmer's Tax Guide. <http://www.irs.gov/uac/Publication-225,-Farmer%27s-Tax-Guide> and also IRS Schedule F and instructions: <http://www.irs.gov/uac/Schedule-F-%28Form-1040%29,-Profit-or-Loss-From-Farming>

Note: Income from agri-tourism and income from value-added products such as wine or cheese. Generally farm or ranch income is limited to income related to selling crops, livestock, and whole products like milk and eggs. Other income should be reported as a separate, non-farm business. If you process the products of your farm or ranch into value-added products,

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you may have additional and much more complicated income tax filing requirements than those addressed in this organizer and you should seek the advice of a qualified tax professional.

6. Do you farm or ranch on property you own? Do you live on the same property?
If so draw a simple map of your farm or ranch. Show the part of your property where your home is located and indicate if assets such as the road, septic and well are jointly used.
Attach a copy of the purchase escrow and the property appraisal if one was done.

Why? If you own the property this will help you and your tax preparer to determine what percentage of the total property expense is business or personal. This percentage will be applied to mortgage interest, property insurance, property taxes and other shared expenses. If the IRS were to question how you allocate your business and personal deductions a drawing will be one of the most important documents you can provide to help explain how you use your property.

For more information on how to report expenses related to mixed personal and business use property see IRS Publication 534 <http://www.irs.gov/publications/p534/ch03.html>

Indicate on your drawing fences, water tanks, roads, structures, etc. – be sure these are listed in #7 below.

Why? If you have not previously filed income tax returns for this business a drawing will help you to make a full inventory of your business assets.

Indicate where any permanent crops are grown. (Permanent crops are trees and vines.)

Why? Permanent crops are subject to special and complex rules. See Publication 225 and seek the advice of a qualified tax professional if you plant trees or vines as part of your farming operation. <http://www.irs.gov/uac/Publication-225,-Farmer%27s-Tax-Guide>

7. List in the table below all the buildings, fences, and equipment you use in your business. Also list animals held for breeding or dairy, either as individuals or as a group. See IRS Publication 225, The Farmers Tax Guide for more information on accounting for animals used in a breeding or dairy program. “Equipment” can be an object or a group of objects (hand tools, ropes and halters, irrigation tape) that originally cost \$100 or more, and which you expect to last for more than one year.

Why? Some equipment leases can be tricky to understand for tax purposes.

For more information on leased property see IRS Publication 534 <http://www.irs.gov/publications/p534/ch03.html>

Do you have any equipment leases?

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Yes – (Attach a copy)	No
Lease payments made during the year: \$ _____	

BUILDINGS, EQUIPMENT & CERTAIN LIVESTOCK PURCHASED THIS YEAR FOR YOUR BUSINESS (SEE PUB. 225 FOR MORE INFORMATION ON LIVESTOCK)				
#	Description	Purchase Date	Purchase Price	New or Used?
101				
102				
103				
104				
105				
106				
107				
108				
109				
110				

Continue on another sheet if necessary.

BUILDINGS, EQUIPMENT & CERTAIN LIVESTOCK PURCHASED IN PRIOR YEARS USED IN YOUR BUSINESS (SEE PUB. 225 FOR MORE INFORMATION ON LIVESTOCK)						
#	Description	Purchase Date	Depreciated or Expensed on tax return when purchased and in later years?			Or: if NOT previously reported:
			No	Yes: Total Amount Depreciated or Expensed to date?	Original Purchase Price	Fair Market Value (what you would receive if sold at auction)
10						
11						
12						
13						
14						
15						
16						
17						
18						

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19						
20						

Continue on another sheet if necessary.

***If you have purchased or planted a vineyard or orchard
consult Publication 225!***

<http://www.irs.gov/uac/Publication-225,-Farmer%27s-Tax-Guide>

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8. List your expenses for the farm or ranch:

Why? You may deduct the ordinary and reasonable expenses associated with generating the income in your business.

Note: You may use either the cash or accrual method. Generally small farms and ranches use the cash method of accounting. This means you may deduct the amounts actually paid for expenses incurred during the year. You may also include amounts paid for purchases made in the prior year, (a bill paid in January for something you bought in December). Do not include payment of debts such as re-paying a seed-loan made by a relative. Do not include amounts for last year’s purchases on credit that still need to be paid- you will deduct those in the year when you make the payment. You should be able to substantiate your expenses with a receipt for purchase, a note in your calendar, or a notation on your bank statement.

For more information about business expenses generally see:

<http://www.irs.gov/Businesses/Small-Businesses-%26-Self-Employed/Deducting-Business-Expenses>

For more information about farm/ranch business expenses see The Farmer’s Tax Guide, IRS Publication 225: <http://www.irs.gov/uac/Publication-225,-Farmer%27s-Tax-Guide>

- Custom hire** (machine work) _____
- Contract Labor** (no payroll taxes paid, 1099 filed if > \$600) _____
- Labor hired** (for which you paid all proper payroll taxes) _____
- Payroll tax expense** on Labor hired (attach copies of quarterly and year end payroll tax returns) _____
- Freight and trucking** (contracted to someone else) _____
- Chemicals** _____
- Soil amendments** (fertilizers and minerals) _____
- Feed purchased** _____
- Rent or lease of land, animals, etc.** _____
- Repairs and maintenance** _____
- Seeds and plants purchased** _____
- Storage and warehousing** _____
- Supplies** (Supplies generally are used up within one year, equipment generally lasts more than one year.) _____
- Veterinary, breeding and medicine** _____
- Bookkeeping, Banking, Accounting** _____
- Insurance** (other than home or health, also see Sections E and F) _____
- Interest (other than mortgage)** _____
- Water** (see **Part E** item 12 for business use of home) _____
- Electricity** (see **Part E** item 12 for business use of home) _____
- Telephone** (not your basic home phone, but an additional line for your business, business related long distance, _____

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- business cell phone, business e-mail and internet access)
- Office supplies and expenses such as postage and photocopy** _____
- Dues and Subscriptions** (related to your business) _____
- Books and Classes** (to maintain or increase your business knowledge; animal husbandry, farming, accounting, marketing) _____
- Promotion** (events, gifts, Christmas cards, birthday cards etc. to key people who help your business, other payments for things that get you or your farm the attention of existing or potential customers, keep a written record) _____
- Meals and Entertainment** (you must have a written record of the business purpose of the meal or activity) _____
- Travel** (hotel and transportation other than your personal car or truck) _____
- Attach a list of other farm or ranch expenses if needed.**

Other Deductions for Farm and Ranch

9. Enter the total amount paid for gasoline and diesel for all vehicles used exclusively in the farm/ranch business. _____

Record here the number of gallons of gasoline and diesel you used in the field for tractors, spray rigs, etc. DO NOT INCLUDE GALLONS USED TO DRIVE ON ANY ROAD OR HIGHWAY.

Gallons of Gasoline _____ Gallons of Diesel _____

Why? Included in the price of fuel is a tax for highway maintenance. You can get a credit for the amount of tax you paid on fuel that was not used on the highway.

10. For each vehicle used in the farm/ranch business

a. Year _____ Make _____ Model _____

For this year enter the miles driven for:

Farm or Ranch business _____

Personal, including commuting to another job _____

Total miles driven _____

Do you have another vehicle available for personal use? Yes ___ No ___

Do you have records of fuel and repairs and maintenance expense for this vehicle?

If so, enter the total expense to operate this vehicle this year: _____

b. Year _____ Make _____ Model _____

For this year enter the miles driven for:

Farm or Ranch business _____

Personal including commuting to another job _____

Total miles driven _____

Do you have another vehicle available for personal use? Yes ___ No ___

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Do you have records of fuel and repairs and maintenance expense for this vehicle?
 If so, enter the total expense to operate this vehicle this year: _____

Attach another sheet for additional vehicles if necessary.

Why? You may either deduct the business percentage of your actual expenses for the vehicle or you may deduct your business miles times an IRS mileage rate. Under either method you must keep written records of the business purpose of the miles used to calculate your deduction.

For more information see: <http://www.irs.gov/taxtopics/tc510.html>

11. Do you travel? If you are away from your farm or ranch for more than 8 hours on business, you may be allowed to take a deduction for meals and incidentals without keeping the receipt. Typically farmers selling at a farmers market may use this, or a rancher might use this for travel to a distant show or auction. You might also use this to attend a conference or a class.

For more information see IRS Publication 1542 which includes a list of the allowable “per diem” rates for cities and counties: <http://www.irs.gov/uac/Publication-1542,-Per-Diem-Rates>

You may deduct 50% of the per diem allowance as a business expense. Record in your calendar your business trips and fill in this table:

Place	Date	Business Purpose

13. Do you have a room in your house that can be used exclusively as a home office?

Dimensions of your home office _____

Dimensions of your whole house _____

Number of rooms in house (excluding kitchen & bathrooms) _____

Your total expenses for the house for the year

- a. Rent _____
- b. Mortgage Interest: Form 1098 _____
- c. Insurance _____
- d. Utilities, including internet _____
- e. Property Taxes _____
- f. Repairs _____

Attach original documents behind each sheet and fill in summarized information in the spaces provided.

g. Cleaning supplies _____

Why? You may take a deduction for the reasonable expenses associated with a home office as long as your home office is a separate area of the home (i.e. not the kitchen table) and as long as the office is necessary to your ability to run your business. Your home office deduction may be calculated using either actual expenses or a simplified method based on square feet.

Beware, in some situations taking a home office deduction will increase your taxes when you sell your house.

For more information see IRS Publication 587 <http://www.irs.gov/Businesses/Small-Businesses-%26-Self-Employed/Home-Office-Deduction>

E: Other deductions not related to your business

Why? Outside of deductions related to operating your business, you may also be able to reduce your overall taxable income by either a “standard deduction” or your personal “itemized deductions.” For 2013 the standard deduction is \$6,200 for singles and \$12,400 for married couples filing jointly. This means that the various types of itemized deductions listed above will only be helpful to you if they exceed the amount of the standard deduction.

For more information on itemized deductions see IRS Publication 529 <http://www.irs.gov/publications/p529/ar02.html>

1. Alimony PAID (Alimony received goes on page 2, section B) _____

For more information about alimony see IRS Publication 504 <http://www.irs.gov/taxtopics/tc452.html>

2. Moving expenses

Why? If you moved more than 50 miles from your old job to start a new job you may be able to deduct moving expenses, subject to time and distance limitations.

For more information see IRS Publication 521 <http://www.irs.gov/taxtopics/tc455.html>

- a. Distance from old house to old job _____
- b. Distance from new house to new job _____
- c. Distance from old house to new house _____
- d. Weeks of full time work in your new location _____
- e. Cost to move belongings (include packaging and labor) _____
- f. Temporary lodging _____
- g. Temporary storage _____

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- h. Cost for you and your family to travel to your new home _____
- i. Miles driven _____
- 3. Health Insurance paid for yourself and your family _____
- 4. Expenses for doctors, dentists, medicines, etc. for you and your family _____
- 5. Home Mortgage Interest: Form 1098: _____ Not reported on 1098 _____
- 6. Property taxes on you home _____
- 7. Property taxes for non-business cars, boats, etc. _____
- 8. Other investment related expenses _____ describe: _____
- 9. Amount paid for a safe deposit box _____
- 10. Amount paid to an income tax preparer _____
- 11. Any loss due to theft or natural disaster?
 - a. Replacement value of property lost: _____
 - b. Basis in property: _____
 - c. Insurance reimbursement received: _____

Why? You may be able to deduct some portion of these losses. See IRS Pub 584 for more information: <http://www.irs.gov/taxtopics/tc515.html>

- 11. If either spouse has a job that pays wages reported to you on Form W-2, list below any unreimbursed out of pocket expenses including: tools and uniforms, education expenses, and travel expenses, including miles driven (but not commuting costs).

Spouse #1

Type of Expense	Amount

Number of miles driven for work, apart from getting to and from work _____

Spouse #2

Type of Expense	Amount

Number of miles driven for work, apart from getting to and from work _____

- 12. List here contributions of money or household items contributed to charity.

Name of Charity	Donation Amount (dollars or fair market value of goods)

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F. Credits for education, childcare, moving for work, etc.

1. If either spouse work at least 900 hours a year teaching Kindergarten through 12 grade, record your classroom expenses up to \$250. \$ _____
2. Record here interest paid on a student loan up to \$2,500. \$ _____
3. Record here the cost of childcare or care for a physically or mentally incapacitated family member if the care enabled the taxpayer to work full time or to attend school full time.

Care Provider Name	Care Provider Social Security or Federal Identification Number	Care Provider Address	Dependent Name

4. Record here your expenses for tuition at an accredited post-secondary institution

Name of student	Tuition paid

G. Payment of Taxes During the Year

1. Record here any estimated federal income tax payments made during the year.

Amount	Date	Amount	Date

2. Record here any estimated federal income tax payments made during the year.

Amount	Date	Amount	Date