

## Tax Deductions for Farms

<b>Income</b>	– Sale of livestock, grains and produce raised and purchased for resale, and government subsidies
<b>Expenses</b>	
Hired Labor	– Any outside labor you hire to do such things as planting
Machinery Rent	– Machines and equipment you rent for short period of time for a one time job
Machinery Lease	– Machines and equipment you lease but keep and use all the time
Property Rent	– Pastures, land, and buildings
Repairs/Maintenance	– Repairs and maintenance to equipment, buildings, fences, irrigation, etc.
Supplies	– Things you use to run your farm: small tools, filters, buckets, containers, cleaning, etc.
Vet Fees	– Any service performed by a veterinarian, including medicines
Breeding	– Services and supplies
Chemicals	– For crops and pest control
Seed/Plants	– Purchased for producing products to sale
Fuel	– Diesel, gas, propane, wood, and coal
Advertising	– Business cards, newspaper ads, information packets you hand out, free samples, flyers, product testing, videos, and CD's
Accounting	– Receipts for your accounting kit, computer programs, and tax preparation
Children	– Money paid to children for helping with such things as delivering flyers, product, stuffing envelopes, cleaning office, and car, etc.
Cost of Goods Sold	– Cost of products purchased then resold
Delivery or Shipping	– Cost to mail or ship products
Dues and Subscriptions	– Dues to professional organizations and magazines that have to do with your trade or business
Educational Expense	– Classes or seminars that you take to improve your business
Gifts	– Gifts to clients and associates
Insurance	– Liability, vehicle, health, property, in some cases life
Laundry and Cleaning	– This includes uniforms and Protective clothing and also your clothing when you are out of town
Legal and Professional Services	– Attorneys and accountants

Office Expense	– Office supplies, forms and receipt books, computer supplies, Internet, postage, printing, day planner, palm pilot, bank charges. Also, repairs to equipment such as computers, and other office equipment.
Travel	– Hotels, airfare, cab fare, parking, cleaning while away from home, trip log
Meals and Entertainment	– Meals with clients, potential clients, and associates. Also tickets to movies or events with or for clients.
Taxes and Licenses	– Business, professional, state and city licenses. Taxes on property, payroll, and sales tax.
Telephone	– Cell phone, long distance calls on home phone, extra phone lines into home for business, fax or internet
Home Office	– A separate room in your home to do business and accounting. A percentage of utility bills, home owners insurance, property tax, mortgage interest, refinance fees, repairs and maintenance, cleaning supplies, office decor, etc.
Purchases	– Any equipment, office furniture, computers, vehicles that cost over \$200
Mileage or Vehicle	– There are two ways to take a vehicle expense. One is to take the mileage you use when picking up product, supplies, office supplies, meetings, handing out advertising or business cards, meals and entertaining clients, etc. The other way is to take the expense of using the vehicle: fuel, parts, mechanics, oil changes, etc. Along with taking expenses, you can also depreciate the vehicle.
Tools	– Small tools under \$300 that last less than 3 years: hammers, screwdrivers, saws, etc.
Equipment	– Larger tools that last longer than 3 years: compressors, trailers, tractors, welding equipment, etc.